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ASSOCIATION OF AMERICAN PUBLISHERS

1986 INDUSTRY STATISTICS

COMPILED BY

Statistical Service Center

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TABLE OF CONTENTS

All SALES Tables and Figures include both 1985 and 1986 data except as shown. All tables including UNIT data are so noted in this Table of Contents.

All OPERATING DATA Tables include 1986 data only, except as noted.

Page(s)

AAP Letter
Instructions for Preparing Your Looseleaf Binder

i-ii		Report Title and Copyright Notice
iii-vi		Table of Contents
vii		Economic Review of the Year: 1986
viii	Figure S1	Estimated Book Publishing Industry Net Sales 1972, 1977, 1982, 1985-86
	Figure S2	1986 Income From Operations
ix-x		Statistics Committees
xi-xii		Participating Publishers
xiii-xvi		Introduction: Methodology and General Subject Definitions
xvii-xviii	Table S1	Estimated Book Publishing Industry Sales 1972, 1977, 1982, 1985-86

Section A - Trade & Religious Book Publishers and Divisions

A1	Table A1	Actual and Estimated Trade and Religious Book Sales
A2	Figure A1	Estimated Trade and Religious Book Net Sales 1972, 1977, 1982, 1985-86
A3-A5	Table A2	Trade Book Sales by Type of Book (Dollars and Units)
A6-A7	Table A3	Domestic Net Trade Book Sales by Type of Customer 1986
A8	Table A4	Net Trade Book Sales by Geographical Location 1986
A9-A10	Table A5	Operating Data of Trade Book Publishers by Type of Book
A11	Table A6	Manufacturing Expense by Type of Book
	Table A7	Royalty Expense by Type of Book
A12	Table A8	Other Publishing Income by Type of Book
A13	Table A9	Editorial Expense by Type of Book
	Table A10	Production Expense by Type of Book
A13-A14	Table A11	Marketing Expense by Type of Book
A14	Table A12	Fulfillment Expense by Type of Book
A15	Table A13	General and Administrative Expense by Type of Book
	Table A14	Summary of Employee Benefits Expense by Type of Book
A16-A17	Table A15	Operating Data of Trade Book Publishers by Size of Publisher
A17	Table A16	Manufacturing Expense by Size of Publisher
A18	Table A17	Royalty Expense by Size of Publisher
	Table A18	Other Publishing Income by Size of Publisher
A19	Table A19	Editorial Expense by Size of Publisher
	Table A20	Production Expense by Size of Publisher
A20	Table A21	Marketing Expense by Size of Publisher
A21	Table A22	Fulfillment Expense by Size of Publisher
A22	Table A23	General and Administrative Expense by Size of Publisher
	Table A24	Summary of Employee Benefits Expense by Size of Publisher
A23	Figure A2	1986 Disposition of Income by Trade and Religious Book Publishers
	Table A25	Employee Data
A24	Table A26	Inventory Turnover
	Table A27	Billings and Receivables
A25-A26		Abstracted Definitions

Continued on page iv

TABLE OF CONTENTS

Continued from page iii

Page(s)

Section B – Technical, Scientific, Business, Medical, and Other Professional Book Publishers and Divisions

B1	Table B1a	Sales of Professional Books by Category of Publication
B2	Figure B1	Estimated Professional Book Net Sales 1972, 1977, 1982, 1985-86
B2-B3	Table B1b	Sales of Professional Books by Category of Publication (Dollars and Units)
B4	Table B2	Net Sales of Professional Books by Subject Category (Dollars and Units)
B5	Table B3	Domestic Net Sales of Professional Books by Type of Customer 1986
B6	Table B4	Net Sales of Professional Books by Geographical Location 1986
B6-B7	Table B5	Operating Data of Professional Book Publishers by Category of Publication
B8	Table B6	Manufacturing Expense by Category of Publication
B9	Table B7	Royalty Expense by Category of Publication
	Table B8	Other Publishing Income by Category of Publication
B10	Table B9	Editorial Expense by Category of Publication
	Table B10	Production Expense by Category of Publication
B11	Table B11	Marketing Expense by Category of Publication
B12	Table B12	Fulfillment Expense by Category of Publication
B13	Table B13	General and Administrative Expense by Category of Publication
	Table B14	Summary of Employee Benefits Expense by Category of Publication
B14-B15	Table B15	Operating Data of Professional Book Publishers by Size of Publisher
B15	Table B16	Manufacturing Expense by Size of Publisher
B16	Table B17	Royalty Expense by Size of Publisher
	Table B18	Editorial Expense by Size of Publisher
B17	Table B19	Production Expense by Size of Publisher
	Table B20	Marketing Expense by Size of Publisher
B18	Table B21	Fulfillment Expense by Size of Publisher
B19	Table B22	General and Administrative Expense by Size of Publisher
	Table B23	Summary of Employee Benefits Expense by Size of Publisher
B20	Figure B2	1986 Disposition of Income by Professional Publishers
	Table B24	Employee Data
B21	Table B25	Billings and Receivables
	Table B26	Inventory Turnover

Section C – Mass Market Paperback Publishers

C1-C2	Table C1	Sales of Mass Market Paperbacks 1984-86 (Dollars and Units)
C2-C3	Table C2a	Sales of Rack-Sized Mass Market Paperbacks by Type of Customer 1984-86 (Dollars and Units)
C4	Table C2b	Sales of Non-Rack-Sized Mass Market Paperbacks by Type of Customer 1984-86 (Dollars and Units)
C5	Table C3a	Operating Data of Mass Market Paperback Publishers (Rack-Sized Books Only), 1985-86
C6	Table C3b	Revenues and Cost of Sales of Non-Rack-Sized Book Publishers, 1985-86
	Table C4	Reserve For Returns of Mass Market Paperback Publishers, 1985-86
C7	Table C5	Editorial, Production, and Marketing Expense (Rack-Sized Books Only), 1985-86
C8	Table C6	Employee Data (All Products), 1985-86
	Table C7	Guarantees (All Products), 1985-86

Continued on page v

TABLE OF CONTENTS

Continued from page iv

Page(s)

Section D - Book Clubs and Mail Order Publications

D1-D2	Table D1	Sales by Book Clubs (Dollars and Units)
D2	Table D2	Gross Sales by Book Clubs by Category of Sale 1986
D3	Table D3	Geographical Distribution of Gross Sales by Book Clubs 1986
	Table D3a	Domestic Membership Data 1986
D4	Table D8	Consumer Mail Order Sales of Mail Order Publications (Dollars and Units)
	Table D8a	Net Educational, Trade, and Specialty Sales of Mail Order Publications 1986

Section T - Estimated Elhi and College Industry Sales

F1	Table T1	Estimated Industry Sales of Textbooks, Educational Materials & Standardized Tests 1972, 1977, 1982, 1984-86
F2	Table T2	Estimated Domestic Industry Sales of Textbooks Related to Student Enrollment 1972, 1977, 1982-86

Section F - School (Elhi) Publishers and Divisions

F3	Table F1	Sales of Elementary Textbooks and Materials (Dollars and Units)
F4	Table F2	Sales of High School Textbooks and Materials (Dollars and Units)
	Table F3	Sales of Elementary Textbooks and Materials by Subject Categories
F5	Table F4	Sales of High School Textbooks and Materials by Subject Categories
F6-F7	Table F5a	Sales of Elhi Textbooks and Materials by Geographical Location
F7	Figure F1	Estimated Elhi Textbook Net Sales 1972, 1977, 1982, 1985-86
F8-F9	Table F5b	Estimated Industry Sales of Elhi Textbooks by Geographical Location
F9-F10	Table F6	Geographical Analysis of Estimated Industry Sales of Elhi Textbooks
F11-F14	Table F7	Operating Data of Elhi Publishers by Size of Publisher, 1985-86
F15	Table F8	Inventory Data of Elhi Publishers by Size of Publisher
	Table F9	Cash Plant Expenditures of Elhi Publishers by Size of Publisher
F16	Table F10a	Editorial Expense of Elhi Publishers by Size of Publisher
	Table F10b	Production Expense of Elhi Publishers by Size of Publisher
F17	Table F11	Marketing Expense of Elhi Publishers by Size of Publisher
F18	Table F12	Fulfillment Expense of Elhi Publishers by Size of Publisher
F19	Table F13	General and Administrative Expense of Elhi Publishers by Size of Publisher
	Table F14	Summary of Employee Benefits Expense of Elhi Publishers by Size of Publisher
F20	Table F15	Billings and Receivables of Elhi Publishers
	Table F16	Employee Data of Elhi Publishers
	Table F17	Selected Balance Sheet Data of Elhi Publishers

Continued on page vi

TABLE OF CONTENTS

Continued from page v

Section G - College Publishers and Divisions

Page(s)		
G1-G2	Table G1	Estimated Industry Sales of College Textbooks
G2-G3	Table G2	Sales of College Textbooks and Materials (Dollars and Units)
G4	Table G3	Net Sales of College Textbooks and Materials by Product Category 1983-86 (Dollars and Units)
G5	Table G5	Domestic Net Sales of College Textbooks and Materials by Market Category
	Table G6a	Net Sales of New and Revised and Backlist College Textbooks 1983-86 (Dollars and Units)
G6-G7	Table G6b	Domestic Net Sales of College Textbooks and Materials by Subject Categories 1984-86
G7-G10	Table G6c	Domestic Net Sales of College Textbooks by Subject Categories 1983-86 (Dollars and Units)
G10-G11	Table G7a	Net Sales of College Textbooks and Materials by Geographical Location
G12	Table G7b	Geographical Analysis of Estimated Domestic Industry Sales of College Textbooks
G13-G17	Table G8	Operating Data of College Publishers by Size of Publisher, 1985-86
G18	Table G9	Inventory Data of College Publishers by Size of Publisher
	Table G10	Royalty Expense of College Publishers by Size of Publisher
G19	Table G11	Editorial Expense of College Publishers by Size of Publisher
	Table G12	Production Expense of College Publishers by Size of Publishers
G20	Table G13	Marketing Expense of College Publishers by Size of Publisher
G20-G21	Table G14	Salesmen's Compensation and Expense of College Publishers, 1983-86
G21	Table G15	Fulfillment Expense of College Publishers by Size of Publisher
G22	Table G16	General and Administrative Expense of College Publishers by Size of Publisher
	Table G17	Summary of Employee Benefits Expense of College Publishers by Size of Publisher
G23	Table G18	Editorial Expense Ratios of College Publishers, 1983-86
	Table G19	Production Expense Ratios of College Publishers, 1983-86
G24	Table G20	Marketing Expense Ratios of College Publishers, 1983-86
G25	Table G21	Fulfillment Expense Ratios of College Publishers, 1983-86
G26	Table G22	General and Administrative Expense Ratios of College Publishers, 1983-86
	Table G23	Employee Benefits Expense Ratios of College Publishers, 1983-86
G27	Table G24	Employee Data of College Publishers
	Table G25	Selected Balance Sheet Data
G29		Abstracted Definitions

ECONOMIC REVIEW OF THE YEAR: 1986

We acknowledge gratefully the assistance of Adren Cooper, Office of the Chief Economist, U.S. Department of Commerce, for preparing this review.

After three full years of expansion, a recession is usually due and payable. That's what the averages say, and some analysts were a little nervous about 1986. As it turned out, the year started and ended on a hearty note, but there were a lot of surprises in between.

The rate of growth was 2.9 percent, about the same as the previous year's expansion, but the annualized gains by quarters ranged from 5.4 percent to 0.6. Inflation seemed to be creeping instead of spiraling as energy prices plummeted about 20 percent.

Even members of Congress seemed surprised upon the passage of a bill that greatly altered the nation's income tax system. This left a few more doubts for uncertain economists.

There were no doubts on Wall Street. The stock market went up another 25 percent or so. Perhaps the statistical quirk of the year -- or the decade -- occurred in a Standard and Poor 500-stock index that measures the proportion of stock going up over a nine-month period; the index stood at 100 in November. It must have been a Wall Street wise man who said that a rising tide raises all boats.

Oddly enough, the dollar also registered approximately 100 on a different scale. This meant that its value was about the same as when it was first set afloat in the early 1970s. It also meant that it had almost exactly retraced its steps down to where it was in 1980 when its upward surge began.

Import prices began to rise as a result of the falling dollar and the prices of services such as medical care and college tuition continued to advance at a rapid pace. The effect of all of these, however, was washed out by cheaper oil. The Consumer Price Index increased only 1.9 percent, the smallest rise in 25 years.

The tax changes were designed to be "revenue neutral" so that they would not upset the economy, but there was still some concern that the elimination of investment incentives might curb growth. Business investment declined moderately as a late gain in equipment purchases almost offset a drop in business building. Housing construction was a plus for the year despite some decline in starts late in the year, and of course national defense expenditures continued to bolster the economy.

Foreign trade became a surprise source of strength late in the year even though the trade deficit set another record. As the dollar declined and import prices rose, it was expected that Americans would buy fewer foreign goods. By the fourth quarter, the lessening of the drag from the trade deficit added substantially to gross national product. We were paying more for fewer imports.

The awkwardness of the economic advance was underscored by the accumulation of the country's negative net investment position to $263 billion dollars by year end. The two-year drop in this figure was disturbing although some odd accounting left questions as to the exact amount of red ink.

An unusually high rate of failures continued among banks and savings and loan institutions. One reason, perhaps, was the unevenness of the economic expansion over major regions. With the decline in oilfield activity, the unemployment rate jumped above 9 percent in Texas, a state that had attracted workers from other states a year or so earlier. Some Great Lakes states also continued to suffer fairly high jobless rates. The east and west coasts generally were in good shape, and Massachusetts in particular enjoyed a rate that at times dipped below 3 percent.

The unemployment rate for the nation remained close to 7 percent until near the end of the year. However, employment increased a hefty 2-1/2 million.

Most of these jobs were in services but it was manufacturing that produced yet another surprising statistic for 1986. The rise of more than 3 percent in productivity in manufacturing -- the measure of output per hour of work -- was the highest among major industrial nations. It was the first time the United States had led in this category since such comparisons began a generation earlier. ■

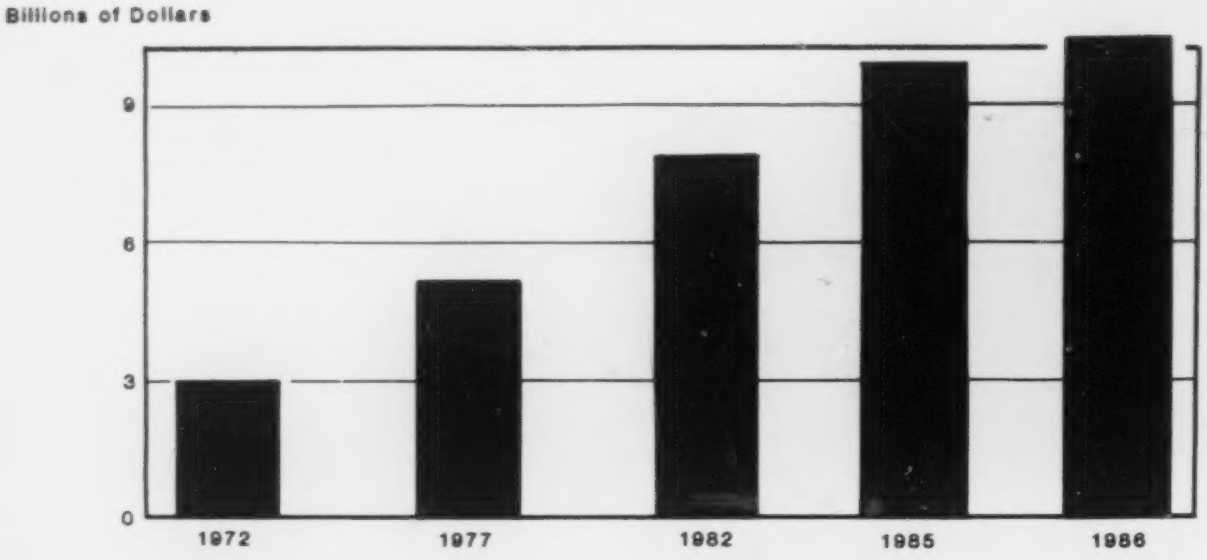


FIGURE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY NET SALES 1972, 1977, 1982, 1985-86

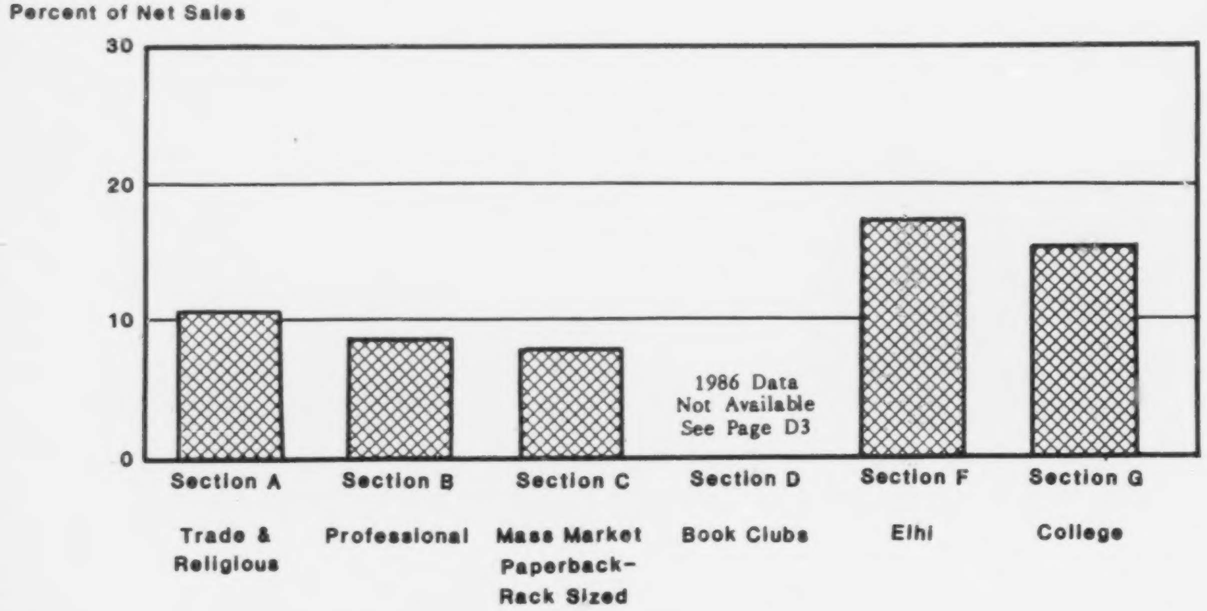


FIGURE S2 - 1986 INCOME FROM OPERATIONS

STATISTICS COMMITTEES

AAP Statistics Committee

Seymour Turk, Chairman
Book-of-the-Month Club

William Baker
Harper & Row

Jerry Butler
Warner Books

Ellen Faran
Harper & Row

Lynn Lumsden
Dodd, Mead

John Marozsan
Aspen Systems

Lawrence Moberg
Times Mirror

Herbert Nichols
Scott, Foresman

Jim Ramig
Scott, Foresman

William Smith
John Wiley

Ronald Woodward
Addison-Wesley

General Publishing Division

Ellen Faran, Co-Chair
Harper & Row

Lynn Lumsden, Co-Chair
Dodd, Mead

Steve Berkowitz
Macmillan

Clyde Braunstein
Sterling

Peter de Giglio
Random House

Don Eckert
William Morrow

Robert Ferro
Watson-Guptill

David Levy
Crown Books

Steve Lessman
Doubleday

Mark Lilien
Viking Penguin

Stan Rosenbaum
Simon & Schuster

Higher Education Division

James Ramig, Chairman
Scott, Foresman

Seibert Adams
Random House

Carol Anderson
Random House

James Clark
Harper & Row

John Gilman
Allyn & Bacon

Susan Hehir
Addison-Wesley

Thomas Joyce
PWS Publishers

Eileen McCrossen
D.C. Heath

Thomas Vernon
John Wiley

Continued on page x

STATISTICS COMMITTEES

Continued from page ix

Paperback Publishing Division

Jerry Butler, Chairman
Warner Books

Warren Brown
Pocket Books

John Choi
Bantam Books

Alan Finkelstein
Viking Penguin

Janice Graham
Berkley/Jove

Jeff MacGregor
Dell Publishing

Jan Parrish
Avon Books

Gilbert Perlman
Ballantine Books

Seymour Rubin
New American Library

Arthur Tiger
Zebra Books

School Division

William Grace, Chairman
Allyn & Bacon

Thomas Delano
D.C. Heath

Herbert Nichols
Scott, Foresman

Robert Paterra
McGraw-Hill

Daniel Robins
Charles Merrill

PARTICIPATING PUBLISHERS

Code letters following the participant's name identify the divisions to which that publisher responded:

A - Trade and Religious
B - Professional
C - Mass Market Paperback
D - Book Clubs and Mail Order Publications
F - School (Elhi)
G - Higher Education (College)

Publishers are listed, in accordance with their own choice, either as corporate entities or with subsidiaries shown separately, depending on the manner in which their data was supplied to the Survey.

Harry N. Abrams	A
Addison-Wesley Publishing Co.	A, F, G
Allen & Unwin	B
Allyn & Bacon	D, G
American Chemical Society	B
American Mathematical Society	B
Avon Books	C
Baha'i Publishing Trust	A
Bantam Books	A, C
Berkley Publishing Group	C
Book-of-the-Month Club	D
Bridge Publishing	A
William C. Brown Co. Publishers	G
Chilton Book Co.	B
College Press Publishing Co.	A
Computer Science Press Inc.	B, G
Consumer Reports Books	A
Copley Publishing Group	G
Critic's Choice Paperbacks	C
Marcel Dekker	B
Dell Publishing Co.	A, C
Delmar Publishers	G
Deseret Book Co.	A
Dodd Mead & Co.	A
Dorchester Publishing Co.	C
Dormac, Inc.	F
Doubleday & Co.	A, D
Dushkin Publishing Group	G
Elsevier Science Publishing Co.	B
EMC Corporation	F
Enslow Publishers	A
Good News Publishers	A
Goodheart-Willcox Co.	F

Continued on page xii

PARTICIPATING PUBLISHERS

Continued from page xi

Grolier, Inc.	A, D
Gulf Publishing Co.	B
Harcourt Brace Jovanovich	G
Harper & Row, Publishers	A, B, G
Harrison House	A
D.C. Heath & Co.	B, F, G
Herald Press	A
Holman Bible Publishers	A
Houghton Mifflin Co.	A, F, G
Hudson Hills Press	A
Industrial Press	B
Richard D. Irwin	G
Island Press	B
JAI Press	B
Jossey-Bass Inc., Publishers	B
Laidlaw Brothers	F
David S. Lake Publishers	F
Little, Brown & Co.	A, B, G
Macmillan Publishing Co.	A, B, F, G
Mayfield Publishing Co.	G
McDougal, Littell & Co.	F
McGraw-Hill	A, B, D, F, G
Medical Economics Books	B
Merriam-Webster	A
Merrill Publishing Co.	F, G
Morehouse-Barlow	A
C.V. Mosby Co.	B, G
National Publishing Co.	A
New American Library	A, C
New Readers Press	F
W.W. Norton & Co.	A, G
Open Court Publishing Co.	F
Oxford University Press	A, B, G
Peanut Butter Publishing	A
PSG Publishing Co.	B
Putnam Publishing Group	A
Rand McNally	A
Random House	A, C, F, G
Raven Press	B
Lynne Rienner Publishers	B
Riverside Publishing Co.	F
St. Martin's Press	A, G
Salem House	A
Schocken Books	A

Continued on page xviii

INTRODUCTION: METHODOLOGY AND GENERAL SUBJECT DEFINITIONS

AAP Statistical Surveys embrace the entire book publishing industry, educational as well as general, including activities of publishers who produce audio-visual and other non-print materials. All major divisions of the industry are given detailed coverage in this volume, except Subscription Reference (i.e. encyclopedia and related product), Standardized Tests, and University Presses whose activities appear only in summary form or in industry estimates, since detailed reports for these groups are issued separately.

The divisions for which extensive marketing and operating data have been provided in this volume are:

Trade and Religious - Section A
Professional - Section B
Mass Market Paperback - Section C
Book Club & Mail Order Publ. - Section D
Elhi Textbooks and Materials - Section F
College Textbooks and Materials - Section G

In addition, estimates of total industry activity are provided in Table S1 following this introduction, and, for the educational portion of the industry, in tables T1 and T3.

Most of the features of the prior years reports have been retained. It should be noted, however, that the 1985 information in this 1986 Industry Statistics may vary from comparable data in the 1985 Industry Statistics Report. This is due to differing respondents to each annual survey.

Publishers and organizations both within and without AAP were asked to contribute data. A complete list of participating publishers is included with this report.

HOW TO UTILIZE THIS SURVEY

The key to a meaningful and useful industry statistical report is comparability. If a publisher, attempting to relate his own experiences to the composite data, finds that he can do so with relative ease, he is likely to reap considerable benefits from an analysis of common experience.

A number of strategies have been employed in this report to enhance comparability. Structurally, the survey brings together groups of publishers who operate in similar economic circumstances. The factors which contribute to a communality of statistical interests are, predominantly, similarities of product, of market, and of marketing technique. These are similarities, however, not identities. The character of the material published, the intended consumer, and the means of reaching him often vary considerably even among publishers in the same division. In consequence, methods of record keeping and accounting frequently differ as well.

INTERPRETING THE DATA

To achieve comparability for all requires that statistical information be produced in a common language, understandable and applicable to all. Hence common definitions, formulated on a divisional basis, reflect majority practice in each division.

When a publisher reports to the survey, he translates his data into the common language, thus making it comparable with data from other contributors. This is vital if a meaningful result is to be obtained. **What is equally important, however, is that in analyzing the report, a publisher translate the data back into his own particular terms.** Only if he does so can the composite experience become genuinely meaningful to him.

Certainly, as an indispensable first step, the contributing publisher should compare his own submission, already rendered in the common language, to the report and by that means move on to a full translation.

Interpretation of the data, and relating it to his own circumstances requires that a publisher

Continued on page xiv

DEFINITIONS AND INSTRUCTIONS

Copies of the questionnaires, definitions and instructions, which were furnished to participating publishers, are available on request from the AAP New York Office.

It is essential that the reader familiarize himself with the General Instructions and Definitions, as well as with specific instructions and definitions of any section to which he refers, in order to give correct interpretation to the data presented.

Continued from page xiii

exercise imagination and analytical skill. He must detect similarities, as well as differences, between himself and the industry group portrayed. This introduction, the text with the tables, and the definitions contained in the questionnaires (available on request from the AAP New York Office), will alert the analyst to most of the difficulties in this area.

METHODS OF GATHERING AND REPORTING DATA

The Survey adopted a flexible attitude regarding the extent of detail publishers were able to furnish about their sales and operating experience. While encouraging them to provide as much specific information as possible, it also urged them to supply at least totals or summaries whenever details were not available.

Consequently, in reporting data on varying levels of details, the following devices have been employed:

Tables reporting sales or operating ratios for categories of publication or types of book, contain vertical lead columns headed "All Sales" or "All Publishers", followed by columns devoted to "Hardbound", "Paperbound" or other categories. In such cases data that publishers have not broken down by category will appear in the "All Sales" or "All Publishers" column, **along with** the sum of the detailed figures in the remaining columns, while **only specific** data pertaining to the detailed categories will appear in the category column proper. As a result, the detail columns will **not add horizontally** to equal the ammounts shown in the summary columns. In most cases, the summary column will show amounts **larger** than the total of the detailed columns. (A space break is inserted between the summary columns and the detail columns to emphasize this point).

Horizontal line entries, when representing breakdowns subsequently totaled, may be followed by a line designated **"Unspecified"**. This line represents that portion of the total data for which breakdowns have not been furnished by publishers. However, whenever percentages of totals are reported with lines giving breakdowns, these percentages are calculated assuming that the "Unspecified" amounts would break down in the same proportion to the total as the detail actually reported. Accordingly, no percentage relationship to the total is assigned to "Unspecified" entries. (In Section C, Mass Market Paperback, unspecified **data** are allocated in the same proportions as reported data and are **not** shown separately as "Unspecified").

In reporting **Operating Data in Sections A and B,** the principal income and expense areas are summarized in two **main tables** by: a. **category** or **type** of book published; and b. **size** of publisher. The main tables are followed by **detail tables** in which income and expense areas are analyzed by more specific breakdowns. (In **Sections F and** G the analysis is by **size** only).

It is important to remember that the **population of publishers reporting to the main operating table and to each of the detailed tables may not necessarily be the same.** In fact, for certain categories of income or expense, some publishers' data will appear only in the main table, while others' will appear in both, and certain others' only in the detail tables. (The last instance may involve publishers who, because they did not report Gross Sales and Returns but only Net Sales, could not be included in the main table, but who furnished income and cost details which could be related to their Net Sales and reported in the detail tables, or publishers who could report data for 1985 only, while the main table may have required both 1984 and 1985 data).

To provide full **perspective on the population** represented in each table, be it a main or detail table, the following information is normally furnished:

1. Number of Publishers Included
2. Net Sales of Publishers Included

Readers should not be misled, however, by a **superficial examination** of the **number** of publishers represented in, for example, a main table and a related detail table. Only if **both** the **Net Sales AND the number of reporting publishers** appear to match is it likely that the same population is represented. Similarities of number **OR** Net Sales should not be mistaken for identities!

In this connection, please note that the following populations are identical:

The publishers included in the **two main tables** (i.e. the **same** publishers' data are analyzed by category and size.

The publishers included in each group of two income or expense sub-tables (e.g. the editorial experience of the **same** publishers are analyzed by category and size.

Accordingly, the "All Publishers" vertical lead columns will be identical in each of the two main tables, the two editorial expense tables, the two marketing expense tables, etc. The remaining columns will change, however, in accordance with the nature of the analysis by category and size.

ESTIMATING BY PUBLISHERS

To restate their data in the common language of the definitions and to satisfy requests for detailed breakdowns, required that publishers estimate some of the information they supplied to this Survey. Not only were they encouraged to do so, but specific

Continued on page xv

Continued from page xiv

suggestions and instructions for formulating the most significant of these estimates were provided in the questionnaires.

OTHER TERMS AND DEVICES

Arithmetic Averages are supplied throughout this Report.

Ranges of two types are employed:

Full ranges (simply identified as "Range" in column headings) represent the lowest and highest data values reported by individual publishers.

Mid-ranges (an abbreviation in column headings for "Mid-50% Range" or, more technically, "Interquartile Range") represent the experiences of the middle 50% of the reporting group, i.e. those from the 26th to the 75th percentile on a scale that arranges the data values in order, from the lowest to the highest. By utilizing the "mid-range" rather than the full range, it is possible to report only the most representative experiences, eliminating the high and low extremes which, for a variety of reasons, may be uncharacteristic.

Except in instances where full range reporting is required to make the data meaningful, mid-ranges are utilized throughout this Report.

Dollar totals are calculated by accumulating individual items rounded to the nearest dollar (or to the nearest thousand in certain sales tables) and **do not** represent simple additions of the items in a column. (Because of the rounding practice, the last digits in a column may not add exactly when the items in that column are totalled arithmetically).

PREVENTING DISCLOSURE

Whenever specific information--either actual data, or citing the number of publishers reporting--could lead to disclosure of their individual activities, such information has been withheld and the fact noted in the text accompanying the tables.

DEFINITIONS OF THE DIVISIONS

The following listing indicates the sections in which various products should be reported. Definitions follow this listing:

Section A
- Adult Trade
- Juvenile Trade
- Religious
- Scholarly or Library Reprint

Section B
- Technical and Scientific
- Business and Other Professional
- Law
- Medical*

Section C
- Mass Market Paperbacks

Section D
- Consumer Book Clubs
- Professional Book Clubs
- Educational (for Student) Book Clubs
- Mail Order Publications

Section F
- Elhi Level (Grades K-12) Textbooks
- Audiovisual and other (K-12) Educational Materials

Section G
- College Level (Grades 13 & Up) Textbooks
- Audiovisual and other (Grades 13 & Up) Educational Materials

* Medical, nursing and other health sciences textbooks published by **medical** publishers should be reported in section B. All such textbooks published by **non-medical** publishers should be reported in section G (if College level) or in section F (if Elhi level).

INCLUSION OF PRODUCTS

In general, the program covers books and such other printed, non-print, and audiovisual materials as are part of the regular publishing activities of book, educational and professional publishers.

Periodicals of all kinds are excluded. Note, however, that books issued annually are to be considered books rather than periodicals.

Books should be distinguished from **pamphlets** by the following criteria:

> All **hardcover** volumes, regardless of length are considered books.
>
> All **juvenile** titles, hard or softcovered, regardless of length, are considered books, except coloring books.

Normally, a softbound publication of between 5 and 48 pages, exclusive of cover pages, is considered a **pamphlet**. However, even softbound volumes of 48 pages or less are to be considered books if their physical design is more that of a book than a pamphlet (such as a mass market paperback that is perfect bound rather than saddle stitched) and if they are part of a book series, and if they are generally recognized as books by the trade and the professions (such as text-related workbooks).

Continued on page xvi

INTRODUCTION: METHODOLOGY AND GENERAL SUBJECT DEFINITIONS

Continued from page xv

For specific guidelines regarding the inclusion of materials, refer to the instructions on each questionnaire.

Trade Books: Books, both adult and juvenile, hardbound and paperbound, created predominantly (50% or more) for the general consumer and marketed primarily (50% or more) through trade channels, i.e. to bookstores and libraries either directly or through wholesalers and jobbers, should be reported in section A. Paperbound books primarily distributed through the mass market media, such as those published by mass market paperback publishers, should be reported in section C. Also to be included in section A are so-called "scholarly" or "library" reprints.

Increasingly, trade books, particularly paperbacks, are used in educational programs. They should **not** be classified as textbooks, however, if they are not created as such primarily, and if they contain no textbook apparatus (such as summaries and test questions).

Religious Books: are books whose content is predominantly of a religious nature: Bibles, Testaments, Hymnals, Prayerbooks, and other works of fiction and non-fiction, adult or juvenile, hardbound or paperbound, of specifically religious character.

Recent trends in the field of religion, as well as in religious publishing, make it increasingly difficult to distinguish between certain religious and trade books. For this reason Trade and Religious publishers are surveyed jointly and both are asked to report their data in section A. Books with only peripheral religious content, even though they appear under the imprint of a religious publisher, should be reported as trade rather than as religious books.

Not to be included in this report are Church and Sunday School materials, and pamphlets of less than 48 pages.

Technical and Scientific Books: Books on the physical, biological, earth and social sciences, and on technology, engineering and the trades, created primarily for the professional audience: practicing and research scientists, engineers, architects, technicians, mechanics and teachers in these and allied fields. Many of these materials are also used in educational settings, particularly on the senior college and graduate level. However, as they are not created primarily to be texts, they should be reported in section B.

Business and Other Professional Books: Books addressed to businessmen, managers, accountants, and individuals in the professions, not covered under Technical and Scientific or Medical: lawyers and librarians, among others. Exclude looseleaf services. Report in section B.

Medical Books: Books designed for the medical profession: physicians, dentists, hospital administrators, veterinarians, pharmacists, etc. Nursing textbooks, along with other medical and health science texts published by **medical** publishers should be included here and reported in section B. (All such textbooks published by **non-medical** publishers should be reported in section G, if college-level, or in section F, if Elhi-level).

Mass Market Paperbacks: Softbound works of adult or juvenile fiction and non-fiction distributed predominantly (50% or more) directly or through wholesalers, to mass market outlets: newsstands, drug stores, chain stores, supermarkets, etc. Report in section C.

Book Club and Mail Order Publications: Includes data on book clubs serving both consumer and professional audiences, general as well as specialized. Should include only data pertaining to book club sales and operations--not sales to book clubs by publishers, for example. Also included here are books created and published primarily (50% or more) for delivery by mail directly to the general consumer. DO NOT INCLUDE SALES BY DIRECT MAIL OF TRADE BOOKS OR PROFESSIONAL BOOKS (c.f. definitions) which should be shown in sections A and B respectively. INCLUDE ONLY DATA ON BOOKS PUBLISHED PRIMARILY FOR MAIL ORDER DISTRIBUTION TO THE GENERAL CONSUMER MARKET. Report in section D.

Textbooks, whether college or elhi, are books created and marketed primarily (50% or more) for classroom adoption and for use in formal educational settings. They contain textbook apparatus, such as summaries and test questions, and, unlike Trade and Professional Books, are not normally marketed to the general juvenile or adult consumer. These, as well as other fundamentally instructional materials, such as programmed books, workbooks, and audiovisual educational materials, should be reported in section F (Elhi--Grades K-12) and section G (College--Grades 13 & Up). Excepted are Medical, Nursing, and other Health Sciences Textbooks published by **medical** publishers, which should be reported in section B. (All such textbooks published by **non-medical** publishers should be reported in sections F or G).

TABLE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY SALES 1972, 1977, 1982, 1985-86

MILLIONS OF DOLLARS

	1972	1977	1982		1985		1986		
	$	$	$	PCT CHG FROM 77	$	PCT CHG FROM 82	$	PCT CHG FROM 85	PCT CHG FROM 82	PCT CHG FROM 77
TRADE (TOTAL)	444.8	887.2	1355.5	52.8	1988.7	46.7	2095.5	5.4	54.6	136.2
ADULT HARDBOUND	251.5	501.3	671.6	34.3	995.9	48.3	1025.8	3.0	52.7	104.6
ADULT PAPERBOUND #	82.4	223.7	452.0	102.1	656.6	45.3	683.5	4.1	51.2	205.5
JUVENILE HARDBOUND	106.5	136.1	180.3	32.5	250.7	39.0	290.1	15.7	60.9	113.2
JUVENILE PAPERBOUND	4.4	26.1	51.5	97.3	85.5	66.0	96.1	12.4	86.6	268.2
RELIGIOUS (TOTAL)	117.5	250.6	390.0	55.6	455.0	16.7	475.5	4.5	21.9	89.7
BIBLES, TESTAMENTS, HYMNALS & PRAYER-BOOKS	61.6	116.3	163.7	40.8	174.7	6.7	182.9	4.7	11.7	57.3
OTHER RELIGIOUS	55.9	134.3	226.2	68.4	280.3	23.9	292.6	4.4	29.4	117.9
PROFESSIONAL (TOTAL)	381.0	698.2	1230.5	76.2	1561.0	26.9	1722.5	10.3	40.0	146.7
TECHNICAL & SCIENTIF.	131.8	249.3	431.4	73.0	561.7	30.2	579.1	3.1	34.2	132.3
BUSINESS & OTHER PROF	192.2	286.3	530.6	85.3	630.3	18.8	747.5	18.6	40.9	161.1
MEDICAL	57.0	162.6	268.5	65.1	369.0	37.4	395.9	7.3	47.4	143.5
BOOK CLUBS	240.5	406.7	590.0	45.1	686.7	16.4	698.4	1.7	18.4	71.7
MAIL ORDER PUBLICATIONS	198.9	396.4	604.6	52.5	603.7	-0.1	620.6	2.8	2.6	56.6
MASS MARKET PAPERBACK RACK-SIZED	250.0	487.7	665.5	36.5	761.5	14.4	762.3	0.1	14.5	56.3
UNIVERSITY PRESSES	41.4	56.1	122.9	119.1	147.8	20.3	160.5	8.6	30.6	186.1
ELEMENTARY & SECONDARY TEXT	497.6	755.9	1051.5	39.1	1481.1	40.9	1604.0	8.3	52.5	112.2
COLLEGE TEXT ●●	375.3	649.7	1142.4	75.8	1325.0	16.0	1409.8	6.4	23.4	117.0
STANDARDIZED TESTS	26.5	44.6	69.7	56.3	92.2	32.3	96.6	4.8	38.6	116.6
SUBSCRIPTION REFERENCE	278.9	294.4	396.6	34.7	486.6	22.7	501.2	3.0	26.4	70.2
AV & OTHER MEDIA (TOTAL)	116.2	151.3	148.0	-2.2	199.5	34.8	211.1	5.8	42.6	39.5
ELHI	101.2	131.4	130.1	-1.0	173.9	33.7	177.4	2.0	36.4	35.0
COLLEGE	9.2	11.6	7.9	-31.9	9.9	25.3	13.5	36.5	70.9	16.4
OTHER	5.8	8.3	10.0	20.5	15.7	57.0	20.2	28.6	102.0	143.4
OTHER SALES	49.2	63.4	77.1	21.6	89.7	16.3	96.5	7.6	25.2	52.2
TOTAL	3017.8	5142.2	7844.3	52.5	9878.5	25.9	10454.5	5.8	33.3	103.3

Includes Non-Rack-Sized sales by Mass Market Publishers of $113.5 million in 1982; $170.2 million in 1985, and $172.9 million in 1986.

●● The Higher Education Division of AAP has requested the Statistical Service Center to conduct an independent survey of college publishers. For 1986, this survey of 44 college publishers, which in the opinion of the Higher Education Division Statistics Committee represent the majority of known College publishers, reported sales of $1155.7 million. The results of this Survey, and a list of the participants, are presented as Table C1.

Footnotes continued on page xviii

TABLE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY SALES 1972, 1977, 1982, 1985-86

Continued from page xvii

This table provides estimates of U.S. Produced product.

The sales estimates in **Table S1** are based on the 1977 and 1982 Censuses of Manufactures for SIC 2731 (Book Publishing) by the Bureau of the Census of the U.S. Department of Commerce. In addition, increases and decreases in yearly sales estimates reflect **actual** percentage changes in sales as reported to this survey, and to the AAP Monthly Sales Report by participating publishers.

As in prior reports, the estimates reflect the impact of the industry expansion created by new establishments entering the field, in addition to incorporating the sales increases or decreases of established firms.

Readers comparing the estimated data with Census reports should recall that the U.S. Census does not include data on most university presses or on other institutionally sponsored and not-for-profit publishing activities, nor on the audiovisual and other media materials which are included in this table. On the other hand, AAP estimates have traditionally excluded Sunday School Materials, and certain pamphlets which are incorporated in the Census data.

It should be noted that the "Other Sales" category in **Table S1** does not include any regular book sales but only sheet sales, domestic and export (except those to prebinders) and miscellaneous merchandise sales.

Estimates include domestic sales and export sales only and do not cover indigenous activities of publishers' foreign subsidiaries.

PARTICIPATING PUBLISHERS

Continued from page xii

Scholastic Inc.	C, F
Scott, Foresman & Co.	F, G
Sierra Club Books	A
Silver Burdett & Ginn	F
Simon & Schuster	A, B, C, D, F, G
South-Western Publishing Co.	F, G
Springer-Verlag New York	B
Steck-Vaughn Co.	F
Texas Monthly Press	A
Time-Life Books	A, D
University Microfilms	B
Van Nostrand Reinhold Co.	B
Viking Penguin	A
Wadsworth, Inc.	G
Warner Books	C
Watson Guptill	A
Westview Press	G
Westminster Press	A
John Wiley & Sons	B, G
Williams & Wilkins	B
World Bible Publishers	A
Year Book Medical Publishers	B
Zondervan Bible Publishers	A

SECTION A - TRADE AND RELIGIOUS BOOK PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM A (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

Table A1 provides sales comparisons between 1986 and 1985 based on data furnished by 48 participating trade and religious publishers. Estimated industry totals, estrapolated from actual data gathered in this Survey and from the monthly AAP Sales Report program are also furnished.

Trade and religious book publishers reported 1986 net sales of $1112.4 million to the AAP Statistics Program. Based on the estimates shown in **Table S1**, the net sales reported represent some 46.4% of the total trade and religious book sales of the industry.

Table A2 provides sales data by type of book for 1986 and 1985 in both dollars and units.

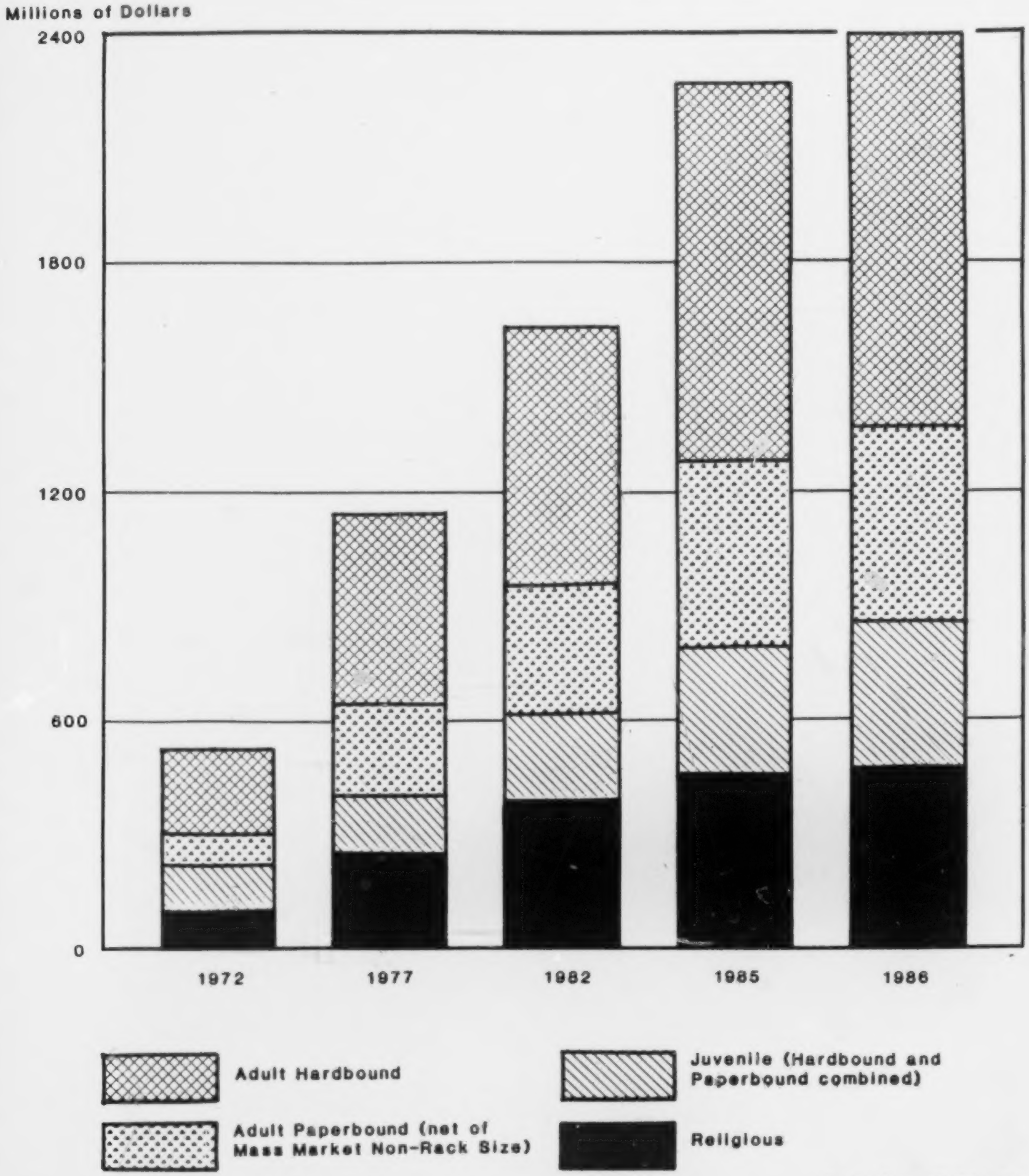
TABLE A1 - ACTUAL AND ESTIMATED TRADE AND RELIGIOUS BOOK SALES

MILLIONS OF DOLLARS -- AS REPORTED BY 48 PUBLISHERS
WITH ESTIMATES OF TOTAL INDUSTRY TRADE BOOK SALES

	1986		1985		PERCENT CHANGE	
	ACTUAL REPORTS	EST. TOTAL	ACTUAL REPORTS	EST. TOTAL	ACTUAL REPORTS	EST. TOTAL
GROSS SALES	1418.7	3071.1	1315.3	2824.6	7.9	8.7
RETURNS	306.3	673.0	257.0	551.1	19.2	22.1
NET SALES	1112.4	2398.1	1058.3	2273.5	5.1	5.5

	1986			1985		
	ACTUAL REPORTED		ESTIMATED	ACTUAL REPORTED		ESTIMATED
	AVERAGE	MID-RANGE	AVERAGE	AVERAGE	MID-RANGE	AVERAGE
PERCENT RETURNS TO GROSS	21.8	3.6 TO 20.6	21.9	19.4	3.7 TO 19.9	19.5

FIGURE A1 - ESTIMATED TRADE AND RELIGIOUS BOOKS NET SALES 1972, 1977, 1982, 1985-86



Data from Table S1

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 39 PUBLISHERS

	GROSS SALES						YOUR DATA			
	1986		1985		PERCENT CHANGE					
	$	UNITS	$	UNITS	$	UNITS				
ADULT HARDBOUND	611133	74088	588022	73105	3.9	1.3				
ADULT PAPERBOUND	354578	121563	329460	113039	7.6	7.5				
JUVENILE HARDBOUND	194498	58805	164274	62651	18.4	-6.1				
JUVENILE PAPERBOUND	68480	58028	66694	54435	2.7	6.6				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	46572	5412	44899	5090	3.7	6.3				
OTHER RELIGIOUS	19739	7683	18622	7203	6.0	6.7				
OTHER	9607	4928	8448	3403	13.7	44.8				
TOTAL	1304607	330508	1220418	318926	6.9	3.6				

	RETURNS						YOUR DATA			
	1986		1985		PERCENT CHANGE					
	$	UNITS	$	UNITS	$	UNITS				
ADULT HARDBOUND	158923	17977	127913	14838	24.2	21.2				
ADULT PAPERBOUND	88533	37541	76485	34439	15.8	9.0				
JUVENILE HARDBOUND	24662	8550	20105	7797	22.7	9.7				
JUVENILE PAPERBOUND	7920	5619	7625	4876	3.9	15.2				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	1923	221	3116	329	-38.3	-32.8				
OTHER RELIGIOUS	1407	272	1044	238	34.8	14.3				
OTHER	1492	63	925	45	61.3	40.0				
TOTAL	284860	70243	237212	62562	20.1	12.3				

Continued on page A-4

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

Continued from page A-3

	NET SALES									
	1986		1985		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
ADULT HARDBOUND	452210	56111	460109	58267	-1.7	-3.7				
ADULT PAPERBOUND	266045	84022	252975	78600	5.2	6.9				
JUVENILE HARDBOUND	159836	50255	144169	54854	17.8	-8.4				
JUVENILE PAPERBOUND	60560	52409	59069	49559	2.5	5.8				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	44649	5191	41783	4761	6.9	9.0				
OTHER RELIGIOUS	18332	7411	17578	6965	4.3	6.4				
OTHER	8115	4865	7523	3358	7.9	44.9				
TOTAL	1019747	260265	983206	256364	3.7	1.5				

	1986 PERCENT RETURNS TO GROSS							
	DOLLARS		UNITS		YOUR DATA			
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE				
ADULT HARDBOUND	26.0	12.0 TO 33.8	24.3	10.2 TO 31.0				
ADULT PAPERBOUND	25.0	12.3 TO 22.6	30.9	12.8 TO 22.2				
JUVENILE HARDBOUND	12.7	7.1 TO 15.8	14.5	7.6 TO 16.9				
JUVENILE PAPERBOUND	11.6	6.9 TO 11.1	9.7	5.8 TO 11.7				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	4.1	3.2 TO 6.4	4.1	3.2 TO 8.2				
OTHER RELIGIOUS	7.1	3.6 TO 6.4	3.5	2.5 TO 7.2				
OTHER	15.5	2.5 TO 38.8	1.3	1.5 TO 38.5				
TOTAL	21.8	3.7 TO 21.1	21.3	3.7 TO 18.4				

Continued on page A-5

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

Continued from page A-4

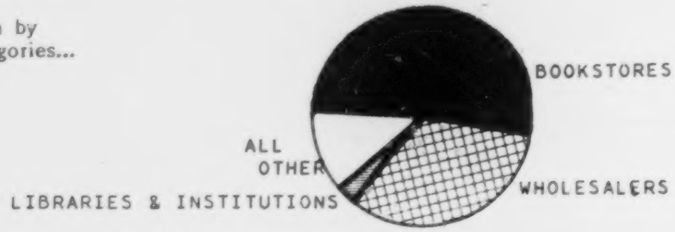
	1985 PERCENT RETURNS TO GROSS							
	DOLLARS		UNITS		YOUR DATA			
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE				
ADULT HARDBOUND	21.8	11.5 TO 25.0	20.3	12.7 TO 23.7				
ADULT PAPERBOUND	23.2	14.4 TO 21.0	30.5	14.0 TO 20.7				
JUVENILE HARDBOUND	12.2	7.7 TO 12.6	12.4	7.5 TO 11.6				
JUVENILE PAPERBOUND	11.4	7.5 TO 18.7	9.0	7.7 TO 12.6				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	6.9	1.3 TO 8.9	6.5	2.5 TO 11.2				
OTHER RELIGIOUS	5.6	1.9 TO 5.5	3.3	2.8 TO 6.0				
OTHER	10.9	3.6 TO 24.2	1.3	3.6 TO 23.5				
TOTAL	19.4	4.6 TO 19.9	19.6	5.6 TO 18.3				

	DOLLARS PER UNIT NET SALES							
	1986		1985		YOUR DATA			
	$-AVG	$-RANGE-AVG	$-AVG	$-RANGE-AVG				
ADULT HARDBOUND	8.06	3.93 TO 16.54	7.90	4.69 TO 25.86				
ADULT PAPERBOUND	3.17	2.01 TO 12.99	3.22	1.04 TO 13.85				
JUVENILE HARDBOUND	3.38	1.64 TO 8.52	2.63	1.39 TO 8.59				
JUVENILE PAPERBOUND	1.16	0.56 TO 4.17	1.19	0.55 TO 4.77				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	8.60	1.59 TO 25.23	8.78	1.60 TO 25.12				
OTHER RELIGIOUS	2.47	1.10 TO 17.67	2.52	1.10 TO 7.69				
OTHER	1.67	0.70 TO 20.36	2.24	0.65 TO 15.48				
TOTAL	3.92	1.10 TO 16.00	3.84	1.10 TO 24.67				

Note that the ranges for dollars per unit net sales in **Table A2** are **ranges of averages** reported by participating publishers.

TABLE A3 - DOMESTIC NET TRADE BOOK SALES BY TYPE OF CUSTOMER

Distribution by
major categories...



THOUSANDS OF DOLLARS - AS REPORTED BY 35 PUBLISHERS

	ALL SALES		ADULT HARDBOUND		ADULT PAPERBOUND		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
BOOKSTORES (TOTAL)	423884	50.1	177495	52.5	111369	49.8				
GENERAL	267348	44.9	109514	50.5	76493	46.9				
COLLEGE	10695	1.8	4241	2.0	4615	2.8				
RELIGIOUS	19958	3.4	41	0.0	117	0.1				
PAPERBACK	680	0.1	0	0.0	0	0.0				
UNSPECIFIED	125202		63699		30144					
OTHER RETAIL OUTLETS	5867	0.7	1811	0.5	1141	0.5				
WHOLESALERS	285858	33.8	103614	30.6	81773	36.5				
PREBINDERS	312	0.0	0	0.0	0	0.0				
LIBRARIES & INSTITUTIONS (TOTAL)	30498	3.6	11794	3.5	3257	1.5				
PUBLIC LIBRARIES	622	0.2	287	0.3	68	0.0				
COLLEGES & UNIVS.	961	0.3	413	0.5	115	0.1				
SCHOOLS	1172	0.4	333	0.4	362	0.2				
OTHER	7151	2.6	2153	2.4	1851	1.1				
UNSPECIFIED	20592		8608		861					
MASS MARKET OUTLETS	29870	3.5	1113	0.3	13049	5.8				
REMAINDER SALES	6401	0.8	3588	1.1	1635	0.7				
SPECIAL SALES	30404	3.6	13728	4.1	9529	4.3				
DIRECT TO CONSUMER	32343	3.8	24922	7.4	2031	0.9				
TOTAL	845436	100.0	338065	100.0	223784	100.0				

Continued on page A-7

TABLE A3 - DOMESTIC NET TRADE BOOK SALES BY TYPE OF CUSTOMER

Continued from page A-6

	JUVENILE HARDBOUND		JUVENILE PAPERBOUND		RELIGIOUS		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
BOOKSTORES (TOTAL)	58019	41.7	23381	47.5	28301	59.2				
GENERAL	54307	41.7	17967	47.5	7185	17.2				
COLLEGE	2	0.0	0	0.0	1058	2.5				
RELIGIOUS	2	0.0	0	0.0	15751	37.8				
PAPERBACK	0	0.0	0	0.0	680	1.6				
UNSPECIFIED	3712		5414		3627					
OTHER RETAIL OUTLETS	74	0.1	16	0.0	1926	4.0				
WHOLESALERS	57055	41.0	18826	38.2	10185	21.3				
PREBINDERS	299	0.2	13	0.0	0	0.0				
LIBRARIES & INSTITUTIONS (TOTAL)	8059	5.8	290	0.6	2009	4.2				
PUBLIC LIBRARIES	219	1.6	19	0.1	4	0.0				
COLLEGES & UNIVS.	224	1.6	101	0.3	81	0.2				
SCHOOLS	214	1.6	34	0.1	135	0.3				
OTHER	141	1.0	23	0.1	1633	3.7				
UNSPECIFIED	7261		113		156					
MASS MARKET OUTLETS	10335	7.4	4983	10.1	390	0.8				
REMAINDER SALES	668	0.5	228	0.5	117	0.2				
SPECIAL SALES	4699	3.4	1475	3.0	866	1.8				
DIRECT TO CONSUMER	42	0.0	36	0.1	3978	8.3				
TOTAL	139250	100.0	49248	100.0	47772	100.0				

In **Table A3,** as in other succeeding tables the data appearing in the column headed "All Sales" does **not** represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of sales by product, summarized in the detail columns, others have not. However, all sales reported, whether detailed in other columns or not, are included in the "All Sales" column.

The "percentage of total" shown represents the portion of sales in a product category marketed to the customer type listed in the stub.

TABLE A4 - NET TRADE BOOK SALES BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 36 PUBLISHERS

	ALL SALES		ADULT HARDBOUND		ADULT PAPERBOUND		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
UNITED STATES	927173	95.2	396270	94.7	230773	95.1				
CANADA	30827	3.2	14644	3.5	7070	2.9				
FOREIGN (TOTAL)	16189	1.7	7435	1.8	4902	2.0				
LATIN AMERICA	535	0.2	444	0.2						
AUSTRALIA & N.ZEALAND	416	0.2	194	0.1						
ASIA	1130	0.4	1099	0.5						
UNITED KINGDOM	1169	0.4	830	0.4						
CONTINENTAL EUROPE	1144	0.4	1081	0.5						
AFRICA, NEAR & MIDDLE EAST	168	0.1	97	0.0						
UNSPECIFIED	11627		3690							
TOTAL	974189	100.0	418349	100.0	242745	100.0				

	JUVENILE HARDBOUND		JUVENILE PAPERBOUND		RELIGIOUS		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
UNITED STATES	152507	96.6	59592	95.9	42983	95.0				
CANADA	3703	2.3	1856	3.0	1645	3.6				
FOREIGN (TOTAL)	1712	1.1	680	1.1	623	1.4				
LATIN AMERICA					88	0.3				
AUSTRALIA & N.ZEALAND					153	0.4				
ASIA					9	0.0				
UNITED KINGDOM					122	0.4				
CONTINENTAL EUROPE					50	0.1				
AFRICA, NEAR & MIDDLE EAST					54	0.2				
UNSPECIFIED					147					
TOTAL	157922	100.0	62128	100.0	45251	100.0				

Note that the detail data of "Foreign-Juvenile" have been suppressed due to lack of sufficient reports.

TABLE A5 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 21 PUBLISHERS

	ALL PUBLISHERS			YOUR DATA			
	$	PERCENT OF NET SALES					
		%	MID-RANGE				
GROSS SALES	870926	125.9	115.0 TO 127.5				
RETURNS AND ALLOWANCES	179126	25.9	15.0 TO 27.5				
NET SALES	691800	100.0	100.0 TO 100.0				
COST OF SALES							
MANUFACTURING	252323	36.5	33.5 TO 39.9				
ROYALTIES	121586	17.6	7.7 TO 20.0				
TOTAL COST OF SALES	373909	54.0	44.7 TO 58.4				
GROSS MARGIN ON SALES	317890	46.0	41.6 TO 55.3				
OTHER INCOME	55845	8.1	2.6 TO 12.5				
OPERATING EXPENSE							
EDITORIAL	38750	5.6	3.7 TO 7.9				
PRODUCTION	14653	2.1	1.0 TO 2.3				
MARKETING	109334	15.8	12.5 TO 17.8				
FULFILLMENT	60131	8.7	6.3 TO 11.0				
GENERAL & ADMIN.	77767	11.2	8.1 TO 16.2				
TOTAL OPERATING EXPENSE	300638	43.5	36.2 TO 51.4				
INCOME FROM OPERATIONS*	73098	10.6	3.8 TO 23.9				

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page A-10

OPERATING DATA

Operating data of Trade and Religious Publishers are reported in two sections. The first section, **Tables A5 through A14,** provides some breakdown by type of book; the second section, **Tables A15 through A24,** analyzes the data by size of publisher.

Tables A5 and A15 are summary tables, offering composite income statements of the reporting publishers. The remaining tables detail specific expense areas.

Publishers, while asked to provide sales data on a calendar year basis, were given the option to furnish operating information on a fiscal year basis. 7 publishers exercised the fiscal year option. The months terminating their reporting year are listed below, together with the number of publishers for each period:

March - 2
April - 1
September - 3
October - 1

In **Tables A5 through A14,** the column headed "All Publishers" does **not** represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of operating data by product line, summarized in the detail columns, while others have not. However, all data reported, whether detailed in other columns or not, are included in the "All Publishers" column.

TABLE A5 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY TYPE OF BOOK

Continued from page A-9

	ADULT HARDBOUND			ADULT PAPERBOUND		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	402686	135.9	117.4 TO 146.2	169856	124.0	117.5 TO 128.2
RETURNS AND ALLOWANCES	106465	35.9	17.4 TO 46.2	32899	24.0	17.5 TO 28.2
NET SALES	296221	100.0	100.0 TO 100.0	136957	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	102988	34.8	28.8 TO 40.3	49100	35.9	29.9 TO 38.8
ROYALTIES	69121	23.3	10.1 TO 24.4	23672	17.3	10.6 TO 18.8
TOTAL COST OF SALES	172109	58.1	45.0 TO 63.0	72772	53.1	40.4 TO 56.9
GROSS MARGIN ON SALES	124111	41.9	37.0 TO 55.0	64185	46.9	43.1 TO 59.6
OTHER INCOME	34526	11.7	4.2 TO 21.5	7928	5.8	0.5 TO 11.8
OPERATING EXPENSE						
EDITORIAL	19886	6.7	3.9 TO 8.8	8634	6.3	3.2 TO 8.1
PRODUCTION	6752	2.3	1.3 TO 3.2	3467	2.5	1.7 TO 3.4
MARKETING	51938	17.5	12.3 TO 23.8	18301	13.4	9.8 TO 17.4
FULFILLMENT	23265	7.9	3.1 TO 11.2	12389	9.0	6.5 TO 11.3
GENERAL & ADMIN.	33563	11.3	8.8 TO 16.1	15094	11.0	9.2 TO 15.2
TOTAL OPERATING EXPENSE	135405	45.7	35.1 TO 60.5	57886	42.3	34.7 TO 59.9
INCOME FROM OPERATIONS*	23233	7.8	-1.2 TO 24.3	14227	10.4	0.0 TO 24.3

	JUVENILE			RELIGIOUS		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	207984	113.6	108.7 TO 129.9	32795	113.8	101.9 TO 116.6
RETURNS AND ALLOWANCES	24915	13.6	8.7 TO 29.9	3974	13.8	1.9 TO 16.6
NET SALES	183069	100.0	100.0 TO 100.0	28821	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	73426	40.1	36.0 TO 46.6	12650	43.9	32.8 TO 76.5
ROYALTIES	20560	11.2	8.3 TO 19.9	2481	8.6	3.1 TO 14.8
TOTAL COST OF SALES	93986	51.3	50.7 TO 59.8	15131	52.5	43.5 TO 76.5
GROSS MARGIN ON SALES	89083	48.7	40.2 TO 49.3	13690	47.5	23.5 TO 56.5
OTHER INCOME	11157	6.1	4.0 TO 8.2	257	0.9	0.3 TO 1.6
OPERATING EXPENSE						
EDITORIAL	8052	4.4	3.4 TO 8.0	776	2.7	1.5 TO 3.6
PRODUCTION	3413	1.9	0.7 TO 2.6	407	1.4	0.6 TO 1.7
MARKETING	26251	14.3	13.3 TO 18.1	4318	15.0	7.4 TO 15.7
FULFILLMENT	16931	9.2	8.3 TO 12.2	2582	9.0	4.8 TO 12.1
GENERAL & ADMIN.	18897	10.3	6.5 TO 15.2	4096	14.2	3.8 TO 20.0
TOTAL OPERATING EXPENSE	73544	40.2	35.8 TO 47.2	12180	42.3	17.0 TO 51.9
INCOME FROM OPERATIONS*	26696	14.6	-0.4 TO 14.6	1767	6.1	-0.3 TO 12.5

* Please see corresponding note on page A-9.

TABLE A6 - MANUFACTURING EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $550,444,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	111017	20.2	42258	19.1	22787	18.1	36441	23.9	4439	20.0
PURCHASES (TOTAL)	217599	39.5	82016	37.0	47522	37.7	67249	44.1	9127	41.1
PLANT COSTS	27453	5.3	11657	5.7	5587	4.9	7013	4.6	1293	5.8
PAPER, PRINTING & BINDING	178345	34.3	64504	31.4	37717	32.8	60236	39.5	7834	35.3
UNSPECIFIED	11801		5855		4218		0		0	
COST OF FREE BOOKS	4358	0.8	2161	1.0	902	0.7	918	0.6	119	0.5
WRITE DOWNS	24064	4.4	9819	4.4	4864	3.9	7453	4.9	750	3.4
ENDING INVENTORY AFTER WRITE DOWNS	120850	22.0	43552	19.7	23999	19.0	41631	27.3	5755	25.9
TOTAL MANUFACTURING EXP.	203408	37.0	78561	35.5	45407	36.0	61141	40.1	7691	34.6

The composite manufacturing cost figure in **Table A6** includes data that reflect varying treatments of plant costs. Since a levelling effect takes place when the data are consolidated, the possibility of distortion is minimized. Nevertheless, a publisher who compares his own data with those in the survey should bear in mind that the inventory and purchase figures shown represent a mix that includes plant costs being written off, plant costs being amortized, and plant costs that have been inventoried.

To place the survey data in perspective, the practices of **some** of the participating publishers are shown below:

Written off as incurred - 3
Written off on publication - 5
Written off during year of publication - 2
Written into inventory - 1
Amortized separately parallel to sales of first printing - 1
Amortized over 2 years - 1
Amortized over 5 years - 2
Plant costs expensed as incurred, plate costs amortized 2 months after publication - 1
Various treatments (as above) depending on dollar amount and division - 1

TABLE A7 - ROYALTY EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $551,477,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	80771	14.6	42433	18.5	17362	14.1	14793	9.7	2263	12.5
FEES IN LIEU OF ROYALTIES	40	0.0	14	0.0	13	0.0	14	0.0	0	0.0
ADVANCES WRITTEN OFF	17348	3.1	10796	4.7	4328	3.5	1369	0.9	93	0.5
TOTAL ROYALTIES	98159	17.8	53243	23.2	21702	17.7	16175	10.6	2357	13.0

In **Table A7** in addition to providing operating data on royalties, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end. A total of 12 publishers with combined net sales of $530.7 million responded, reporting a total aggregate advance of $106.9 million (20.1% of net sales). 11 publishers with **adult hardbound** net sales of $212.7 million reported advances of $67.6 million (31.8% of net sales); 8 publishers with **adult paperbound** net sales of $120.6 million reported advances of $26.1 million (21.6% of net sales); and 8 publishers with **juvenile** net sales of $152.4 million reported advances of $9.4 million (6.1% of net sales), all at reporting year end. Replies by religious book publishers were insufficient to report here.

TABLE A8 - OTHER PUBLISHING INCOME-BY TYPE OF BOOK

THOUSANDS OF DOLLARS

8 PUBLISHERS WITH NET SALES OF $253,546,000

	TOTAL INCOME		AUTHORS' SHARE		PUBL. SHARE	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	31550	12.4	13677	5.4	17874	7.0
REPRINT - HARDBOUND	510	0.2	128	0.1	382	0.2
REPRINT - PAPERBOUND	15648	6.2	8456	3.3	7192	2.8
BOOK CLUB	5900	2.3	2705	1.1	3195	1.3
PERMISSIONS	1204	0.5	342	0.1	862	0.3
FOREIGN & TRANSLATION	2328	0.9	976	0.4	1352	0.5
SERIAL, DIGEST & SYNDICATION	468	0.2	295	0.1	173	0.1
OTHER	5492	2.2	775	0.3	4718	1.9
GENERAL	4679	1.8	133	0.1	4546	1.8
TOTAL OTHER INCOME	36229	14.3	13810	5.4	22420	8.8

12 PUBLISHERS WITH NET SALES OF $506,538,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	61490	12.1	38358	19.1	7621	6.8	11877	7.8	217	1.2
REPRINT - HARDBOUND	2766	0.5	2176	1.1	154	0.1	388	0.3	46	0.3
REPRINT - PAPERBOUND	25530	5.0	18824	9.4	3791	3.4	1417	0.9	0	0.0
BOOK CLUB	14912	2.9	7706	3.8	1754	1.6	4402	2.9	90	0.5
PERMISSIONS	2018	0.4	771	0.4	143	0.1	993	0.7	5	0.0
FOREIGN & TRANSLATION	6331	1.2	3308	1.6	1080	1.0	1276	0.8	31	0.2
SERIAL, DIGEST & SYNDICATION	967	0.2	535	0.3	160	0.1	51	0.0	5	0.0
OTHER	8966	1.8	5038	2.5	539	0.5	3350	2.2	39	0.2
GENERAL	14341	2.8	8931	4.4	3270	2.9	1612	1.1	35	0.2
TOTAL OTHER PUBL. INCOME	75831	15.0	47289	23.6	10891	9.8	13489	8.9	252	1.4
AUTHORS' SHARE	28250	5.6	16515	8.2	3855	3.5	4243	2.8	6	0.0
PUBLISHER'S SHARE	47581	9.4	30774	15.3	7036	6.3	9246	6.1	246	1.3

In **Table A8,** publishers are asked to report **all** subsidiary income and to show authors' shares and publishers' shares separately. As some respondents are unable to comply with some details of this request, data are reported here in two ways: in the upper section data are summarized **by type of income** for 8 publishers who are able to separate authors' shares from their own. In the lower section data are summarized **by type of book** for 12 publishers reporting both authors' shares and their own. Data for publishers who could report only their own shares had to be suppressed this year to avoid disclosure.

TABLE A9 - EDITORIAL EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 17 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $673,453,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE										
SALARIES	19937	3.2	9964	3.8	4414	3.5	4185	2.7	374	1.7
BENEFITS	3651	0.6	1930	0.7	943	0.7	689	0.5	73	0.3
OUTSIDE EDITORIAL EXP	2491	0.4	1342	0.5	567	0.4	416	0.3	166	0.7
TRAVEL & ENTERTAINMNT	1801	0.3	900	0.3	392	0.3	294	0.2	58	0.3
OTHER	5564	0.9	3239	1.2	1425	1.1	632	0.4	40	0.2
TOTAL EDITORIAL EXPENSE	33445	5.4	17375	6.6	7741	6.1	6217	4.1	711	3.2

TABLE A10 - PRODUCTION EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 16 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $604,269,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE										
SALARIES	6608	1.1	2944	1.2	1676	1.3	1269	0.8	208	0.9
BENEFITS	1214	0.2	581	0.2	353	0.3	216	0.1	45	0.2
OUTSIDE PRODUCT'N EXP	382	0.1	132	0.1	135	0.1	36	0.0	77	0.3
OTHER	1205	0.2	619	0.2	285	0.2	207	0.1	11	0.1
TOTAL PRODUCTION EXPENSE	9409	1.6	4277	1.7	2449	1.9	1728	1.1	342	1.5

TABLE A11 - MARKETING EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 16 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $602,209,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE										
SALESMEN'S SALARIES & COMMISSIONS	10771	1.8	5068	1.9	1926	1.7	2709	1.7	236	1.1
SALESMEN'S BENEFITS	1671	0.3	839	0.3	363	0.3	395	0.2	20	0.1
SALESMAN'S TRAVEL & ENTERTAINMENT	4161	0.7	1926	0.7	760	0.7	1105	0.7	33	0.1
DEPARTMENTAL SALARIES	5983	1.0	2484	1.0	1238	1.1	1591	1.0	424	1.9
DEPARTMENTAL BENEFITS	1111	0.2	489	0.2	242	0.2	303	0.2	76	0.3
DEPARTMENTAL TRAVEL & ENTERTAINMENT	1263	0.2	469	0.2	258	0.2	376	0.2	129	0.6
OTHER	5046	0.8	2418	0.9	922	0.8	1511	0.9	147	0.7
UNSPECIFIED	259		259		0		0		0	
TOTAL SELLING EXPENSE	30265	5.0	13952	5.3	5709	4.9	7991	5.0	1066	4.8

Continued on page A-14

TABLE A11 - MARKETING EXPENSE-BY TYPE OF BOOK

Continued from page A-13

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PROMOTION										
DEPARTMENTAL SALARIES	6005	1.0	2663	1.0	1119	1.0	1553	1.0	353	1.6
BENEFITS	1072	0.2	500	0.2	250	0.2	246	0.2	75	0.3
SPACE ADVERTISING	19612	3.3	11727	4.5	2234	1.9	3750	2.3	506	2.3
CATALOGS AND TRADE ADVERTISING	15519	2.6	7304	2.8	1795	1.5	5195	3.2	422	1.9
DIRECT MAIL	5406	0.9	1623	0.6	274	0.2	167	0.1	216	1.0
PUBLICITY	3353	0.6	1887	0.7	739	0.6	318	0.2	29	0.1
FREE COPIES (INCLUDING POSTAGE)	5495	0.9	2607	1.0	1311	1.1	1112	0.7	138	0.6
EXHIBITS	1776	0.3	580	0.2	452	0.4	538	0.3	115	0.5
OTHER	6816	1.1	2975	1.1	1665	1.4	1596	1.0	557	2.5
UNSPECIFIED	28		0		0		0		0	
TOTAL PROMOTION EXPENSE	65082	10.8	31866	12.2	9840	8.4	14475	9.1	2411	10.8
TOTAL MARKETING EXPENSE	95347	15.8	45817	17.5	15549	13.3	22466	14.0	3477	15.6

TABLE A12 - FULFILLMENT EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS

9 PUBLISHERS WITH NET SALES OF $423,415,000 -- INTERNAL FACILITIES	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING										
SALARIES	5040	1.2	2080	1.2	1423	1.4	1182	1.0	355	1.6
BENEFITS	1106	0.3	487	0.3	310	0.3	263	0.2	45	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3013	0.7	1506	0.8	797	0.8	661	0.6	49	0.2
EQUIPMENT & SUPPLIES	318	0.1	135	0.1	121	0.1	49	0.0	12	0.1
OTHER	657	0.2	258	0.1	210	0.2	151	0.1	38	0.2
TOTAL ORDER PROCESSING	10134	2.4	4467	2.5	2861	2.7	2306	2.0	500	2.3
SHIPPING & WAREHOUSING										
SALARIES	14252	3.4	5823	3.2	3754	3.6	3905	3.4	770	3.5
BENEFITS	2510	0.6	1126	0.6	603	0.6	658	0.6	122	0.6
OCCUPANCY	5443	1.3	2318	1.3	1328	1.3	1517	1.3	281	1.3
EQUIPMENT & SUPPLIES	3317	0.8	1350	0.7	915	0.9	891	0.8	161	0.7
TRANSPORTATION CHRGES	2744	0.6	1032	0.6	597	0.6	827	0.7	287	1.3
OTHER	1447	0.3	628	0.3	506	0.5	274	0.2	40	0.2
TOTAL SHIPPING AND WAREHOUSING	29713	7.0	12277	6.8	7703	7.3	8072	7.0	1661	7.5
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	39848	9.4	16745	9.3	10564	10.0	10379	9.0	2160	9.8

TABLE A13 - GENERAL AND ADMINISTRATIVE EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 16 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $567,490,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	8604	1.5	4176	1.7	1335	1.1	1520	1.1	728	3.3
MANAGEMENT BENEFITS	1556	0.3	790	0.3	252	0.2	298	0.2	106	0.5
ACCOUNTING SALARIES	5092	0.9	2095	0.9	1086	0.9	1124	0.8	206	0.9
ACCOUNTING BENEFITS	904	0.2	393	0.2	197	0.2	237	0.2	65	0.3
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	9061	1.6	4379	1.8	1700	1.4	1782	1.3	444	2.0
GENERAL OFFICE BENEFITS	3072	0.5	1182	0.5	481	0.4	557	0.4	106	0.5
GENERAL TRAVEL AND ENTERTAINMENT	1419	0.2	702	0.3	195	0.2	251	0.2	76	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	4926	0.9	1744	0.7	974	0.8	1583	1.1	451	2.0
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	11821	2.1	5181	2.2	2879	2.4	2527	1.8	626	2.8
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	1089	0.2	513	0.2	216	0.2	214	0.2	12	0.1
PERSONAL PROP. TAXES	239	0.0	93	0.0	48	0.0	55	0.0	3	0.0
ALL OTHER	577	0.1	278	0.1	131	0.1	159	0.1	9	0.0
UNSPECIFIED	273		142		37		0		0	
OTHER	15387	2.7	5973	2.5	3389	2.8	3058	2.2	983	4.4
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	62930	11.1	27127	11.3	12704	10.7	13151	9.4	3804	17.1

TABLE A14 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 12 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $483,457,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	2930	0.6	966	0.7	593	0.5	729	0.6	116	0.6
DEFERRED PROFIT SHARING	951	0.2	504	0.4	235	0.2	212	0.2	0	0.0
HOSP. & GROUP INSURANCE	6048	1.3	2127	1.6	1124	1.0	1306	1.0	202	1.1
PAYROLL TAXES	5748	1.2	1920	1.5	1119	1.0	1204	0.9	274	1.5
OTHER	628	0.1	255	0.2	187	0.2	133	0.1	27	0.1
TOTAL EMPLOYEE BENEFITS	16305	3.4	5772	4.4	3258	2.9	3584	2.7	620	3.4

TABLE A15 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 21 PUBLISHERS

	ALL PUBLISHERS			10 PUBLISHERS WITH NET SALES UNDER $15 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	870926	125.9	115.0 TO 127.5	94958	118.1	103.5 TO 123.0
RETURNS AND ALLOWANCES	179126	25.9	15.0 TO 27.5	14555	18.1	3.5 TO 23.0
NET SALES	691800	100.0	100.0 TO 100.0	80403	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	252323	36.5	33.5 TO 39.9	34562	43.0	35.7 TO 47.9
ROYALTIES	121586	17.6	7.7 TO 20.0	7616	9.5	6.7 TO 17.5
TOTAL COST OF SALES	373909	54.0	44.7 TO 58.4	42178	52.5	42.6 TO 60.2
GROSS MARGIN ON SALES	317890	46.0	41.6 TO 55.3	38224	47.5	39.8 TO 57.4
OTHER INCOME	55845	8.1	2.6 TO 12.5	4378	5.4	0.6 TO 16.2
OPERATING EXPENSE						
EDITORIAL	38750	5.6	3.7 TO 7.9	3865	4.8	3.1 TO 8.0
PRODUCTION	14653	2.1	1.0 TO 2.3	1604	2.0	1.0 TO 3.5
MARKETING	109334	15.8	12.5 TO 17.8	13218	16.4	11.2 TO 29.1
FULFILLMENT	60131	8.7	6.3 TO 11.0	7716	9.6	2.6 TO 14.3
GENERAL & ADMIN.	77767	11.2	8.1 TO 16.2	9132	11.4	6.5 TO 21.2
TOTAL OPERATING EXPENSE	300638	43.5	36.2 TO 51.4	35538	44.2	26.2 TO 67.0
INCOME FROM OPERATIONS*	73098	10.6	3.8 TO 23.9	7065	8.8	-1.9 TO 32.3

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page A-17

TABLE A15 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY SIZE OF PUBLISHER

Continued from page A-16

	4 PUBLISHERS WITH NET SALES $15 TO $35 MILLION			7 PUBLISHERS WITH NET SALES ABOVE $35 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	114395	123.7	114.1 TO 131.1	661573	127.5	126.7 TO 131.1
RETURNS AND ALLOWANCES	21935	23.7	14.1 TO 31.1	142636	27.5	26.7 TO 31.1
NET SALES	92460	100.0	100.0 TO 100.0	518937	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	30657	33.2	24.2 TO 37.3	187104	36.1	32.7 TO 40.9
ROYALTIES	13378	14.5	6.3 TO 19.3	100592	19.4	17.9 TO 22.4
TOTAL COST OF SALES	44035	47.6	30.5 TO 56.5	287696	55.4	50.5 TO 61.0
GROSS MARGIN ON SALES	48425	52.4	43.5 TO 69.5	231241	44.6	39.0 TO 49.5
OTHER INCOME	6020	6.5	1.4 TO 9.5	45447	8.8	6.3 TO 13.4
OPERATING EXPENSE						
EDITORIAL	5908	6.4	4.9 TO 7.7	28977	5.6	3.4 TO 7.9
PRODUCTION	1661	1.8	1.0 TO 2.2	11388	2.2	1.2 TO 2.3
MARKETING	14164	15.3	12.0 TO 17.1	81952	15.8	14.1 TO 17.3
FULFILLMENT	7207	7.8	3.3 TO 10.3	45208	8.7	6.4 TO 9.3
GENERAL & ADMIN.	9704	10.5	7.3 TO 14.8	58931	11.4	9.3 TO 12.7
TOTAL OPERATING EXPENSE	38644	41.8	31.1 TO 46.7	226456	43.6	36.3 TO 47.0
INCOME FROM OPERATIONS*	15801	17.1	6.6 TO 35.2	50232	9.7	6.4 TO 14.7

* Please see corresponding note on page A-16.

TABLE A16 - MANUFACTURING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $550,444,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UNDER $15 MILLION		4 PUBLISHERS NET SALES $15-$35 MILLION		5 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	111017	20.2	15080	26.8	17654	19.1	78283	19.5
PURCHASES (TOTAL)	217599	39.5	19975	35.5	34144	36.9	163480	40.7
PLANT COSTS	27453	5.1	2773	4.9	5975	7.9	18705	4.7
PAPER, PRINTING & BINDING	178345	33.4	11703	20.8	21867	29.0	144775	36.0
UNSPECIFIED	6302		0		6302		0	
COST OF FREE BOOKS	4358	0.8	346	0.6	747	0.8	3265	0.8
WRITE DOWNS	24064	4.4	1587	2.8	2236	2.4	20240	5.0
ENDING INVENTORY AFTER WRITE DOWNS	120850	22.0	13261	23.6	19414	21.0	88176	22.0
TOTAL MANUFACTURING EXP.	203408	37.0	21449	38.1	31637	34.2	150322	37.4

TABLE A17 - ROYALTY EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $551,447,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UNDER $15 MILLION		4 PUBLISHERS NET SALES $15- $35 MILLION		5 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	80771	14.6	5636	9.8	11076	12.0	64059	15.9
FEES IN LIEU OF ROYALTIES	40	0.0	0	0.0	40	0.0	0	0.0
ADVANCES WRITTEN OFF	17348	3.1	561	1.0	2262	2.4	14526	3.6
TOTAL ROYALTIES	98159	17.8	6197	10.8	13378	14.5	78584	19.6

See also the discussion following **Table A-7.**

TABLE A18 - OTHER PUBLISHING INCOME-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $506,538,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UNDER $15 MILLION		3 PUBLISHERS NET SALES $15- $35 MILLION		5 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	61490	12.1	2935	10.2	10628	14.0	47926	11.9
REPRINT - HARDBOUND	2766	0.5	267	0.9	250	0.3	2249	0.6
REPRINT - PAPERBOUND	25530	5.0	733	2.6	6493	8.5	18304	4.6
BOOK CLUB	14912	2.9	502	1.7	2246	3.0	12164	3.0
PERMISSIONS	2018	0.4	134	0.5	372	0.5	1512	0.4
FOREIGN & TRANSLATION	6331	1.2	1113	3.9	942	1.2	4276	1.1
SERIAL, DIGEST & SYNDICATION	967	0.2	47	0.2	245	0.3	674	0.2
OTHER	8966	1.8	139	0.5	80	0.1	8747	2.2
GENERAL	14341	2.8	1197	4.2	1331	1.7	11813	2.9
TOTAL OTHER PUBL. INCOME	75831	15.0	3942	13.7	11959	15.7	59739	14.9
AUTHORS' SHARE	28250	5.6	2605	8.4	6044	7.9	19601	4.9
PUBLISHER'S SHARE	47581	9.4	1528	5.3	5915	7.8	40138	10.0

TABLE A19 - EDITORIAL EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 17 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $673,453,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UNDER $15 MILLION		4 PUBLISHERS NET SALES $15- $35 MILLION		7 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	19937	3.2	2128	3.4	3707	4.0	14102	3.1
BENEFITS	3651	0.6	337	0.5	521	0.6	2793	0.6
OUTSIDE EDITORIAL EXP	2491	0.4	204	0.3	349	0.4	1938	0.4
TRAVEL & ENTERTAINMNT	1801	0.3	146	0.2	419	0.5	1236	0.3
OTHER	5564	0.9	187	0.3	912	1.0	4465	1.0
TOTAL EDITORIAL EXPENSE	33445	5.4	3003	4.8	5908	6.4	24535	5.4

TABLE A20 - PRODUCTION EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $604,269,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UNDER $15 MILLION		4 PUBLISHERS NET SALES $15- $35 MILLION		6 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	6608	1.1	838	1.5	1202	1.3	4568	1.0
BENEFITS	1214	0.2	149	0.3	166	0.2	899	0.2
OUTSIDE PRODUCT'N EXP	382	0.1	4	0.0	31	0.0	346	0.1
OTHER	1205	0.2	50	0.1	262	0.3	893	0.2
TOTAL PRODUCTION EXPENSE	9409	1.6	1042	1.9	1661	1.8	6706	1.5

TABLE A21 - MARKETING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $602,209,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UNDER $15 MILLION		3 PUBLISHERS NET SALES $15- $35 MILLION		6 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE								
SALESMEN'S SALARIES & COMMISSIONS	10771	1.8	1986	2.8	1386	1.8	7400	1.6
SALESMEN'S BENEFITS	1671	0.3	257	0.4	127	0.2	1287	0.3
SALESMEN'S TRAVEL & ENTERTAINMENT	4161	0.7	713	1.0	806	1.1	2641	0.6
DEPARTMENTAL SALARIES	5983	1.0	525	0.7	1266	1.7	4193	0.9
DEPARTMENTAL BENEFITS	1111	0.2	93	0.1	196	0.3	822	0.2
DEPARTMENTAL TRAVEL & ENTERTAINMENT	1263	0.2	129	0.2	160	0.2	974	0.2
OTHER	5046	0.8	515	0.7	392	0.5	4140	0.9
UNSPECIFIED	259		259		0		0	
TOTAL SELLING EXPENSE	30265	5.0	4476	6.3	4334	5.7	21455	4.7
PROMOTION								
DEPARTMENTAL SALARIES	6005	1.0	1089	1.5	1283	1.7	3633	0.8
BENEFITS	1072	0.2	169	0.2	150	0.2	753	0.2
SPACE ADVERTISING	19612	3.3	2623	3.7	2630	3.5	14359	3.2
CATALOGS AND TRADE ADVERTISING	15519	2.6	509	0.7	1244	1.6	13765	3.0
DIRECT MAIL	5406	0.9	589	0.8	131	0.2	4686	1.0
PUBLICITY	3353	0.6	138	0.2	585	0.8	2630	0.6
FREE COPIES (INCLUDING POSTAGE)	5495	0.9	424	0.6	936	1.2	4136	0.9
EXHIBITS	1776	0.3	239	0.3	369	0.5	1167	0.3
OTHER	6816	1.1	1292	1.8	700	0.9	4824	1.1
UNSPECIFIED	28		0		0		28	
TOTAL PROMOTION EXPENSE	65082	10.8	7073	10.0	8029	10.5	49979	11.0
TOTAL MARKETING EXPENSE	95347	15.8	11549	16.4	12363	16.2	71435	15.7

TABLE A22 - FULFILLMENT EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

9 PUBLISHERS WITH NET SALES OF $423,415,000 USING INTERNAL FACILITIES	ALL PUBLISHERS		4 PUBLISHERS NET SALES UNDER $15 MILLION		1 PUBLISHER NET SALES $15-$35 MILLION		4 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	5040	1.2	664	1.7			3892	1.1
BENEFITS	1106	0.3	113	0.3			884	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3013	0.7	590	1.5			2248	0.6
EQUIPMENT & SUPPLIES	318	0.1	64	0.2			233	0.1
OTHER	657	0.2	119	0.3			489	0.1
TOTAL ORDER PROCESSING	10134	2.4	1551	3.9			7745	2.2
SHIPPING & WAREHOUSING								
SALARIES	14252	3.4	1459	3.6			11744	3.3
BENEFITS	2510	0.6	261	0.7			2004	0.6
OCCUPANCY	5443	1.3	591	1.5			4662	1.3
EQUIPMENT & SUPPLIES	3317	0.8	601	1.5			2370	0.7
TRANSPORTATION CHRGES	2744	0.6	466	1.2			2169	0.6
OTHER	1447	0.3	-7	-0.0			1427	0.4
TOTAL SHIPPING AND WAREHOUSING	29713	7.0	3371	8.4			24377	7.0
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	39848	9.4	4923	12.3			32123	9.2

Data for the "$15-$35 Million" category have been suppressed to prevent disclosure.

TABLE A23 - GENERAL AND ADMINISTRATIVE EXPENSE-BY SIZE OF PUBLISHER

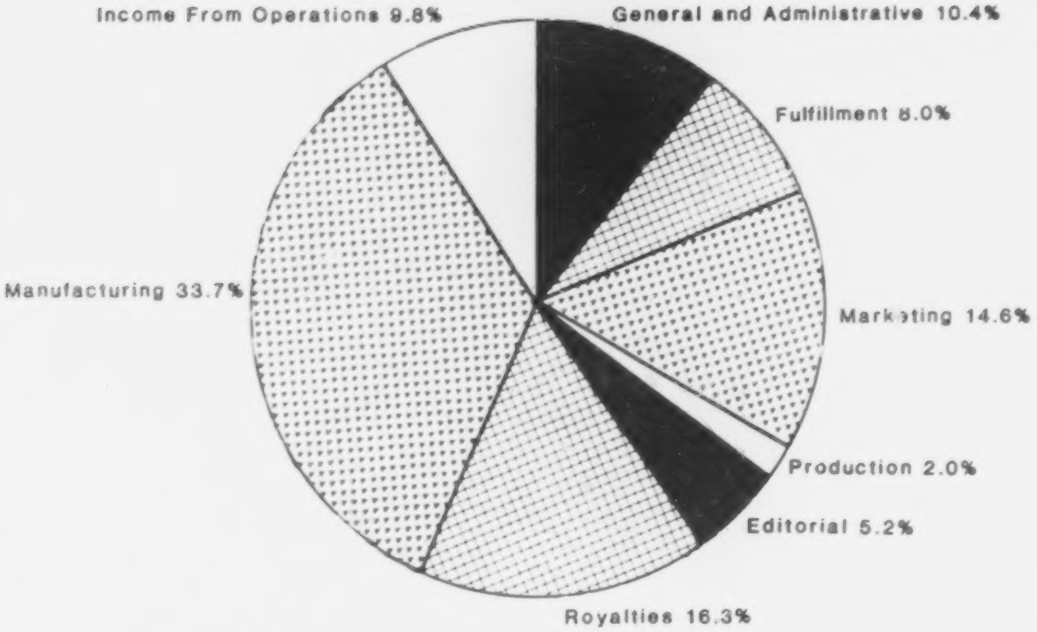
THOUSANDS OF DOLLARS - AS REPORTED BY 16 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $567,490,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UNDER $15 MILLION		4 PUBLISHERS NET SALES $15- $35 MILLION		5 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	8604	1.5	2102	3.0	976	1.1	5526	1.4
MANAGEMENT BENEFITS	1556	0.3	399	0.6	97	0.1	1060	0.3
ACCOUNTING SALARIES	5092	0.9	688	1.0	792	0.9	3612	0.9
ACCOUNTING BENEFITS	904	0.2	120	0.2	57	0.1	727	0.2
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	9061	1.6	870	1.2	875	0.9	7316	1.8
GENERAL OFFICE BENEFITS	3072	0.5	166	0.2	743	0.8	2164	0.5
GENERAL TRAVEL AND ENTERTAINMENT	1419	0.2	119	0.2	110	0.1	1189	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	4926	0.9	351	0.5	507	0.5	4068	1.0
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	11821	2.1	1730	2.5	2106	2.3	7985	2.0
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	1089	0.2	63	0.1	170	0.2	856	0.2
PERSONAL PROP. TAXES	239	0.0	3	0.0	48	0.1	188	0.0
ALL OTHER	577	0.1	40	0.1	55	0.1	482	0.1
UNSPECIFIED	273		20		67		186	
OTHER	15387	2.7	1996	2.8	3270	3.5	10121	2.5
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	62930	11.1	8604	12.2	9703	10.5	44623	11.0

TABLE A24 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $483,457,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UNDER $15 MILLION		4 PUBLISHERS NET SALES $15- $35 MILLION		4 PUBLISHERS NET SALES ABOVE $35 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	2930	0.6	27	0.1	599	0.6	2303	0.7
DEFERRED PROFIT SHARING	951	0.2	146	0.4	0	0.0	805	0.2
HOSP. & GROUP INSURANCE	6048	1.3	512	1.3	883	1.0	4653	1.3
PAYROLL TAXES	5748	1.2	524	1.3	1153	1.2	4072	1.2
OTHER	628	0.1	74	0.2	88	0.1	466	0.1
TOTAL EMPLOYEE BENEFITS	16305	3.4	1283	3.2	2723	2.9	12299	3.5



Based on data reported in Table A5

Income (100%) Equals Net Sales (92.5%) plus Other Income (7.5%)

FIGURE A2 - 1986 DISPOSITION OF INCOME BY TRADE AND RELIGIOUS BOOK PUBLISHERS

TABLE A25 - EMPLOYEE DATA

AS REPORTED BY 16 TRADE BOOK PUBLISHERS
EMPLOYING 2,527 TOTAL STAFF
(NET SALES PER EMPLOYEE - $181,256)

	PERCENT OF TOTAL	
	AVERAGE	MID-RANGE
EDITORIAL	19.5	15.6 TO 29.3
PRODUCTION	7.2	4.2 TO 12.3
MARKETING (TOTAL)	24.3	18.1 TO 35.7
SALESMEN	8.1	5.2 TO 18.3
SALES DEPARTMENT	4.9	3.3 TO 8.3
PROMOTION	7.7	3.5 TO 16.8
UNSPECIFIED	3.6	
FULFILLMENT (TOTAL)	24.9	11.2 TO 44.2
ORDER PROCESSING	9.5	7.9 TO 18.0
SHIPPING & WAREHOUS'G	14.8	8.6 TO 24.6
UNSPECIFIED	0.6	
ADMINISTRATIVE MANAGEM'T	6.0	2.4 TO 11.3
GENERAL OFFICE	10.2	5.0 TO 20.3
OTHER	8.0	1.7 TO 8.4
EMPLOYEES PER $100,000 SALES	0.6	0.1 TO 1.5

TABLE A26 - INVENTORY TURNOVER

TYPE OF BOOK	REPLIES	NET SALES ($000)	INVENTORY TURNOVER
ADULT HARDBOUND	13	211529	1.8
ADULT PAPERBOUND	10	126069	1.9
JUVENILE	8	152403	1.6
RELIGIOUS	4	22225	1.5
BY SIZE OF PUBLISHER			
SALES UP TO $15 MILLION	6	56291	1.5
SALES $15 TO $35 MILLION	4	92460	1.7
SALES $35 MILLION & OVER	5	401693	1.8

In **Table A26** inventory turnover is established by dividing Total Manufacturing Cost by the average of Beginning Inventory and Ending Inventory After Writedowns. For pertinent definitions, refer to pages A1 and A2 of Operating Data Questionnaire Form A. Also please note the text comments on plant costs and plate cost treatment following **Table A6.**

In comparing his own inventory turnover with that reported here, a publisher should bear in mind not only the possible impact of plant cost treatment on inventory values, but also the variations in such values resulting from differing writedown policies. Most writedown practices in the industry must, perforce, be based on the subjective judgement of market values, reflecting varying life expectancies and turnover of product lines and individual titles. A publisher must keep has own sales patterns in mind, therefore, when making the comparison. Despite the levelling effect of pooling the data, a publisher with, for example, a specialized product line may find his turnover differing noticeably and justifiably from the composite figure.

TABLE A27 - BILLINGS AND RECEIVABLES

	REPLIES	AMOUNT
NET SALES ($000)	14	452974
NUMBER OF INVOICES ANNUALLY (000)	10	4024
AVERAGE INV. VALUE		79.06
NUMBER OF CREDIT MEMOS ANNUALLY (000)	10	550
ACCOUNTS RECEIVABLE (AT YEAR END - $000)	13	306012
PERCENT OF NET SALES		70.1
ACCOUNTS RECE. - AGED TOTAL ($000)	11	283933
PCT. CURRENT		63.8
PCT. 1-30 DAYS		15.1
PCT. 31-60 DAYS		10.5
PCT. 61 DAYS AND OVER		10.6
BAD DEBT RESERVE ($000)	10	7381
PCT. OF NET SALES		2.1
PCT. OF RECEIVABLES		3.5
BAD DEBT LOSSES ($000)	12	3441
PCT. OF NET SALES		0.9
PCT. OF RECEIVABLES		1.4
AVERAGE COLLECTION PERIOD (DAYS)	12	103
RANGE (DAYS)		47-173

ABSTRACTED DEFINITIONS

Continued from page A-26

Tables A14 and A24 - Employee Benefits

This **Employee Benefits** schedule summarizes all benefits applicable to employees' salaries reported in this survey.

Pensions: Includes accruals as well as actual payments.

Deferred Profit Sharing: Current profit sharing is shown with salaries in the appropriate tables. Only amounts contributed to **deferred** payment plans are included here.

Hospitalization and Group Insurance: Includes life insurance premiums of executives.

Table A25 - Employee Data

Includes only staff employed; excludes freelance or outside agents such as "commission" reps representing several publishers. Excludes freelance editors and designers.

Table A27 - Billings and Receivables

The amount on **total receivable** and **past due** balances is as of the end of the calendar year.

ABSTRACTED DEFINITIONS

Definitions for most line items, and instructions for furnishing data to the AAP Industry Statistics are included in the survey questionnaires. Overall methodology, and definitions of the publishing divisions themselves are presented in this volume beginning on page xiii.

The General Publishing Division Statistics Committee is supplementing this material with the following brief definitions:

Tables A1 & A2 - Gross Sales and Returns

Gross Sales on a calendar year basis. Includes foreign, book clubs and remainder sales. Also includes sales of calendars, posters, maps, software, and audiovisual, visual cassettes, and multimedia products in "Other." Does not include income from subsidiary rights or from non-publishing activities such as printing plants, sales representation, or fulfillment service operations.

Returns show actual credited totals only, and do not show amounts reserved.

Table A3 - Domestic Net Sales By Type of Customer

Bookstores:
- **General:** Includes all book outlets, such as stationery or department stores.
- **College:** Stores catering predominantly (50% or more) to college and university students and faculty.
- **Religious:** Stores catering predominantly (50% or more) to a religious audience.
- **Paperback:** Includes only stores specializing exclusively in paperback books.

Other Retail Outlets: Includes computer, art supply, health food, sports stores, etc.

Wholesalers: Includes agents who market books to retailers, libraries, schools and institutions and are engaged predominantly (50% or more) in so doing.

Prebinders: Applies primarily to publishers of juveniles who should report their sheet sales to such firms here.

Libraries and Institutions (Total):
- **Public Libraries.**
- **Colleges and Universities:** Includes sales to the libraries of these institutions, as well as direct sales to special programs or departments.
- **Schools:** Includes sales to school libraries, resource centers, classrooms, systems or districts. Includes sales to bookstores operated by secondary or elementary schools, public or private.
- **Other:** Includes library sales to museums, public landmarks, government departments, the military, historical and scholarly societies. Also reported are sales to technical, legal, and business libraries, etc.

Mass Market Outlets: Chain stores, drug stores, newsstands, supermarkets, etc.

Special Sales: Includes sales of special editions to book clubs or for premium or sales tie-in purposes. Includes bulk sales to corporations, author, and others.

Direct to Consumer: Mail order sales solicited and fulfilled under auspices of reporting companies.

Tables A6 and A16 - Manufacturing Expense

Manufacturing Expense in general is defined as the **materials** cost (i.e. of **physical** components) of the books or products sold. It is distinguished from **Production Expense** which involves the **labor** cost to the publisher of supervising the manufacturing process, and the **Editorial Expense** which involves the labor cost to the publisher of readying the content of a book for manufacture.

Because of the complexity of the pre-publication process and the overlapping of these functions, it is important that you read (and understand) the complete definitions devised for these expenses. (See note at the start of these "Abstracted Definitions.")

Tables A7 and A17 - Royalty Expense

Royalties Paid: does not include override royalties paid to staff editors.

Grants and Fees in Lieu of Royalties: Flat payments.

Advances Written Off: Includes write-offs of advances, judged to be unearnable, made during the reporting year.

Net Royalty Advances Outstanding at Year End: Net advances carried as assets on balance sheet at year end.

Tables A8 and A18 - Other Publishing Income

Subsidiary Rights (Total): The sum of payments or royalties actually received in the reporting year after deduction of author's shares.

Tables A9 and A19 - Editorial Expense

Note: **"Salaries"** in this and the following tables include vacation and holiday pay, bonuses and current profit sharing.

Outside Editorial Expense: Compensation to freelance and procurement editors, copy and manuscript editors, indexers, readers, etc. Includes fees to be paid to experts for manuscript evaluation.

Other: Reference and research materials, stationery and supplies, etc. Does not include occupancy expense, or maintenance, overhead, utility or telephone charges which are reported in Tables A13 & A23.

Continued on page A-26

Continued from page A-25

Tables A10 and A20 - Production Expense

Production Expense in general is defined as the cost of **labor** incurred by the publisher in having products manufactured. It is distinguished from **Manufacturing Expense,** which involves the **materials** cost of the products themselves. Staff positions involved would be those of the production manager and his/her assistant, artists and designers.

Outside Production Expense: Compensation to freelance designers and production personnel. Outside production services are included.

Other: Reference materials, art and other supplies, stationery, travel and entertainment by departmental and freelance staff, etc. Does not include occcupancy expense or maintenance, overhead, utility or telephone charges which are included in General and Administrative Expense.

Tables A11 and A21 - Marketing Expense

Selling Expense (Total): "Selling" is distinguished from "Promotion" as pertaining to direct personal contact with customers, while "Promotion" covers advertising, direct mail, exhibits and publicity.

> **Salesrep's Salaries and Commissions:** Salary and/or commission compensation to domestic and foreign sales reps. Includes special sales, sub-rights, and telemarketing reps, staff or independent.

Promotion:

- **Departmental Salaries:** Includes promotion managers, advertising and copy writers, direct mail, publicity and exhibit staff.
- **Space Advertising:** The cost of the space and the preparation of advertising, including cooperative advertising, in consumer and specialized media. TV and radio advertising is also reported.
- **Catalogs and Trade Advertising:** Cost of preparing, printing and mailing materials intended predominantly for the individual consumer.
- **Publicity:** Includes the cost of news releases, travel and entertainment in connection with this effort, fees paid to public relations firms and publicity agents, cost of sending authors on tour or transporting them to TV shows, etc.
- **Free Copies:** Books furnished at no charge, including those for review, for examination, and/or as desk copies to educators, and to exhibits. Postage is added to the value of the books which includes both plant and manufacturing costs (paper, printing, binding).
- **Exhibits:** The cost of exhibit space, display units and materials as well as travel and entertainment expense of staff and freelance personnel.
- **Other:** The cost of promotional activities not covered above, such as autographing parties, book fairs, special displays, etc. Does not include occupancy, overhead or telephone charges which are reported in G & A Exp.

Tables A12 and A22 - Fulfillment Expense

Fulfillment Expense in general is defined as the cost of consummating a customer's order after it has been placed. This involves: 1. the production of shipping and invoice documents, including the posting to accounts receivable, processing of subsequents payment, maintaining attendant records, and rendering reports, and 2. the warehousing, shipping and handling of returns of the products involved.

Because of the complexity of the fulfillment process and the overlapping of these functions it is important to read (and understand) the complete definitions devised for these expenses. (See the note at the start of these "Abstracted Definitions.")

Tables A13 and A23 - General and Administrative Expense

General and Administrative Expense does not include fees charged by a parent company except insofar as they represent payment for services actually received and which the publisher would otherwise have to furnish or purchase elsewhere. Multidivisional companies have allocated general administrative expenses to the division.

Management Salaries: The compensation of executives and administrators not reported in previous schedules.

Accounting Salaries: Compensation of financial and accounting departmental staff, management as well as clerical.

General Office Salaries: Compensation of all staff not reported in other schedules or above.

General Travel and Entertainment: Company-reimbursed transportation, living expenses on the road, and entertainment not included in other schedules.

EDP/Systems Expense (Direct or Allocated): Publishers utilizing an automated system for processing accounting and other data, either under their own auspices or outside, reporting the appropriate portion of such expense devoted to general and administrative activities, including salaries.

Occupancy (Except Warehousing): Rent, or mortgage expense (including interest), or depreciation, if property is owned. Includes appropriate real estate taxes, insurance, heat, light, power, maintenance and repair. Occupancy cost of warehouses is shown under Fulfillment Expense.

Other Taxes (Except Income and Payroll):

> **Personal Property Taxes:** Does not include real estate taxes.

Other: Includes other general expense not shown elsewhere, such as telephone and telegraph; stationery and supplies; bad debts written off or additions to bad debt reserve; collection expenses; insurance; depreciation on general office equipment.

Continued on page A-24

SECTION B - TECHNICAL, SCIENTIFIC, BUSINESS, MEDICAL, AND OTHER PROFESSIONAL BOOK PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM B (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

34 professional publishers reported 1986 total net sales of $533.0 million to the AAP Statistics Program. When this total is compared to that estimated for this industry segment in **Table S1** ($1722.5 million), it appears that some 30.9% of professional book sales are represented in **Table B1a.** Note, however, that the reported figures exclude the bulk of law book sales which, historically, publishers fail to supply to this Survey.

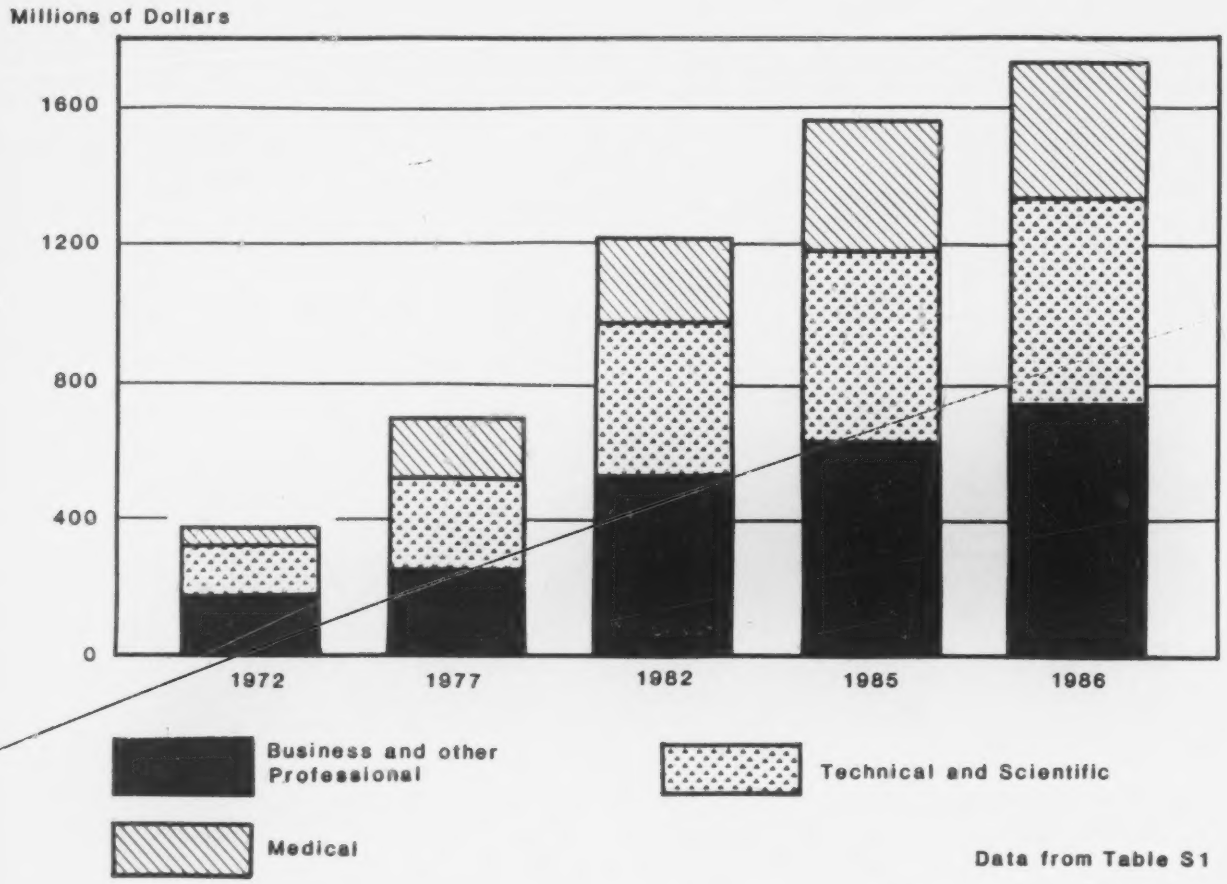
In **Table B1a** publishers report sales detail by publishing category for both 1986 and 1985 in dollars. In **Table B1b** data is provided by 22 publishers for similar detail in both dollars and units.

TABLE B1a - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

MILLIONS OF DOLLARS - AS REPORTED BY 34 PUBLISHERS

	GROSS SALES	RETURNS	NET SALES	PERCENT RETURNS - GROSS	
				AVERAGE	MID-RANGE
18 TECH'L & SCIENTIFIC					
1986	160.8	23.2	137.6	14.4	5.2 TO 14.1
1985	149.9	19.4	130.5	13.0	5.9 TO 14.9
PERCENT CHANGE	7.3	19.6	5.4		
12 BUSINESS & OTHER PROF					
1986	117.4	18.3	99.0	15.6	12.8 TO 19.1
1985	95.9	16.5	79.4	17.2	10.2 TO 16.4
PERCENT CHANGE	22.4	11.3	24.7		
18 MEDICAL					
1986	174.1	24.3	149.7	14.0	11.0 TO 13.8
1985	160.9	21.1	139.7	13.1	10.0 TO 14.4
PERCENT CHANGE	8.2	15.2	7.2		
ALL PROFESSIONAL					
1986	533.0	76.7	456.3	14.4	5.7 TO 15.1
1985	481.8	66.8	415.0	13.9	5.4 TO 14.6
PERCENT CHANGE	14.4	13.9	10.0		

FIGURE B1 - ESTIMATED PROFESSIONAL BOOK NET SALES 1972, 1977, 1982, 1985-86



Data from Table S1

TABLE B1b - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 22 PUBLISHERS

	GROSS SALES									
	1986		1985		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
TECHNICAL & SCIENTIFIC	120999	4486	114641	4485	5.5	0.0				
BUSINESS & OTHER PROF.	111462	5627	90882	5638	22.6	-0.2				
MEDICAL	167428	7727	154956	7093	8.0	8.9				
ALL PROFESSIONAL	399889	17840	360479	17216	10.9	3.6				

Continued on page B-3

TABLE B1b - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

Continued from page B-2

	RETURNS									
	1986		1985		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
TECHNICAL & SCIENTIFIC	19425	751	16398	796	18.5	-5.7				
BUSINESS & OTHER PROF.	17778	880	15970	923	11.3	-4.7				
MEDICAL	23723	1002	20564	945	15.4	6.0				
ALL PROFESSIONAL	60926	2633	52932	2664	15.1	-1.2				

	NET SALES									
	1986		1985		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
TECHNICAL & SCIENTIFIC	101574	3735	98243	3689	3.4	1.2				
BUSINESS & OTHER PROF.	93684	4747	74912	4715	25.1	0.7				
MEDICAL	143705	6725	134392	6148	6.9	9.4				
ALL PROFESSIONAL	338963	15207	307547	14552	10.2	4.5				

	1986 PERCENT RETURNS TO GROSS							
	DOLLARS		UNITS		YOUR DATA			
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE				
TECHNICAL & SCIENTIFIC	16.1	5.9 TO 15.7	16.7	8.3 TO 16.2				
BUSINESS & OTHER PROF.	15.9	13.3 TO 19.1	15.6	12.8 TO 21.3				
MEDICAL	14.2	10.6 TO 14.1	13.0	10.1 TO 14.9				
ALL PROFESSIONAL	15.2	9.4 TO 15.6	14.8	9.9 TO 15.3				

	DOLLARS PER UNIT NET SALES							
	1986		1985		YOUR DATA			
	$-AVG	$-RANGE-AVG	$-AVG	$-RANGE-AVG				
TECHNICAL & SCIENTIFIC	27.20	10.73 TO 48.55	26.63	11.00 TO 45.72				
BUSINESS & OTHER PROF.	19.74	14.21 TO 35.45	15.89	13.14 TO 34.87				
MEDICAL	21.37	9.71 TO 54.07	21.86	12.72 TO 56.95				
ALL PROFESSIONAL	22.29	10.73 TO 43.84	21.13	11.00 TO 47.38				

TABLE B2 - NET SALES OF PROFESSIONAL BOOKS-BY SUBJECT CATEGORY

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 21 PUBLISHERS

	1986					1985				
	DOLLARS		UNITS		AVERAGE DOLLARS PER UNIT	DOLLARS		UNITS		AVERAGE DOLLARS PER UNIT
	$	PCT OF TOTAL	NO.	PCT OF TOTAL		$	PCT OF TOTAL	NO.	PCT OF TOTAL	
TECHNICAL & SCIENTIFIC (TOTAL)	100933	100.0	3702	100.0	27.26	98797	100.0	3774	100.0	26.18
MATHEMATICS, PROBABILITY & STAT.	6840	6.8	245	6.6	27.92	6446	6.5	242	6.4	26.64
COMPUTER SCIENCES	10762	10.7	497	13.4	21.65	11955	12.1	640	17.0	18.68
ENGINEERING	31643	31.4	1049	28.3	30.16	32338	32.7	1112	29.5	29.08
BIOLOGICAL SCIENCES	5288	5.2	136	3.7	38.88	4138	4.2	104	2.8	39.79
PHYSICAL SCIENCES	13651	13.5	305	8.2	44.76	12881	13.0	288	7.6	44.73
EARTH SCIENCES	2264	2.2	69	1.9	32.81	2427	2.5	70	1.9	34.67
SOCIAL SCIENCES (TOTAL)	6998	6.9	364	9.8	19.23	5625	5.7	288	7.6	19.53
ECONOMICS	1225	1.2	54	1.5	22.69	1172	1.2	51	1.4	22.98
PSYCHOLOGY	2109	2.1	103	2.8	20.48	1849	1.9	112	3.0	16.51
OTHER SOCIAL SCI.	3392	3.4	189	5.1	17.95	2538	2.6	121	3.2	20.98
SOC. SC.-NOT GIVEN	272	0.3	18	0.5	15.11	66	0.1	4	0.1	16.50
ARCHITECTURE	7277	7.2	357	9.6	20.38	7460	7.6	391	10.4	19.08
OTHER TECH. & SCIENT.	16210	16.1	680	18.4	23.84	15527	15.7	639	16.9	24.30
BUSINESS & OTHER PROFESSIONAL (TOTAL)	29626	100.0	1631	100.0	18.16	28398	100.0	1673	100.0	16.97
BUSINESS	17041	57.5	1003	61.5	16.99	17149	60.4	1024	61.2	16.75
LAW	8465	28.6	411	25.2	20.60	6877	24.2	412	24.6	16.69
EDUCATION	1223	4.1	104	6.4	11.76	1667	5.9	113	6.8	14.75
OTHER BUSINESS & PROFESSIONAL	2897	9.8	113	6.9	25.64	2705	9.5	124	7.4	21.81
MEDICAL (TOTAL)	125573	100.0	5324	100.0	23.59	119809	100.0	5252	100.0	22.81
MEDICAL PROFESSIONAL (TOTAL)	80250	63.9	3012	56.6	26.64	76200	63.6	2674	50.9	28.50
MEDICINE	61864	49.3	1971	37.0	31.39	65221	54.4	2226	42.4	29.30
DENTISTRY	3077	2.5	96	1.8	32.05	4178	3.5	122	2.3	34.25
VETERINARY MED.	44	0.0	3	0.1	14.67	37	0.0	2	0.0	18.50
OTHER MED. PROF.	3896	3.1	200	3.8	19.48	5119	4.3	254	4.8	20.15
MED. PROF-NOT GIVN	11369	9.1	742	13.9	15.32	1645	1.4	70	1.3	23.50
MEDICAL TEXTBOOKS (TOTAL)	45323	36.1	2312	43.4	19.60	43609	36.4	2578	49.1	16.92
NURSING	26672	21.2	1327	24.9	20.10	26382	22.0	1522	29.0	17.33
ALLIED HEALTH	9189	7.3	493	9.3	18.64	8750	7.3	500	9.5	17.50
OTHER TEXTBOOKS	8431	6.7	449	8.4	18.78	7074	5.9	520	9.9	13.60
MED. TEXTS-NOT GIV	1031	0.8	43	0.8	23.98	1403	1.2	36	0.7	38.97

TABLE B3 - DOMESTIC NET SALES OF PROFESSIONAL BOOKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS - AS REPORTED BY 27 PUBLISHERS

	ALL SALES		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
RETAIL STORES (TOTAL)	88235	27.4	38101	28.7	26524	35.8	20734	20.8
GENERAL BOOKSTORES	23026	11.4	9772	9.2	4615	12.6	8404	15.6
COLLEGE BOOKSTORES	19393	9.6	10060	9.4	7009	19.2	2324	4.3
OTHER RETAILERS	12662	6.3	10739	10.1	1459	4.0	464	0.9
UNSPECIFIED	33154		7530		13441		9542	
WHOLESALERS AND JOBBERS (TOTAL)	74146	23.0	22768	17.1	7398	10.0	37506	37.6
LIBRARY JOBBERS	14374	11.9	8936	15.1	1586	6.3	3852	9.6
ALL OTHER JOBBERS	13510	11.1	1193	2.0	921	3.7	11269	28.0
UNSPECIFIED	46262		12639		4891		22385	
LIBRARIES & INSTITUTIONS (TOTAL)	24578	7.6	15346	11.5	3027	4.1	3460	3.5
PUBLIC LIBRARIES	1457	0.9	461	0.8	60	0.1	51	0.2
COLLEGES AND UNIVERSITIES	5368	3.4	3272	6.0	348	0.9	711	2.4
SCHOOLS	1526	1.0	741	1.4	101	0.2	181	0.6
OTHER	3617	2.3	1816	3.3	1157	2.8	101	0.3
UNSPECIFIED	12610		9056		1361		2416	
GOVERNMENT	2825	0.9	597	0.4	490	0.7	156	0.2
INDUSTRY	19119	5.9	12746	9.6	4207	5.7	2166	2.2
SPECIAL SALES	5725	1.8	1331	1.0	1158	1.6	2806	2.8
INDIVIDUAL SALES (TOTAL)	107895	33.5	42087	31.7	31212	42.2	33029	33.1
THROUGH SALESMEN	25799	11.6	0	0.0	0	0.0	2799	3.5
BY MAIL	47990	21.5	17369	31.4	5391	41.9	23091	28.9
CONVENTION SALES	852	0.4	182	0.3	40	0.3	530	0.7
UNSPECIFIED	33254		24536		25781		6609	
TOTAL	322523	100.0	132976	100.0	74016	100.0	99857	100.0

In **Table B3**, as in other succeeding tables, the data appearing in the column headed "All Sales" do **not** represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of sales by category of publication, summarized in the detail columns, while others have not. However, all sales reported, whether detailed in other columns or not, **are** included in the "All Sales" column.

The "Percentage of Total" shown in the detail columns represents the portion of sales in a publishing category marketed to the customer type listed in the stub. "Unspecified" amounts are allocated in proportion to amounts specifically reported, as explained in the Introduction to this Annual Statistics Report.

TABLE B4 - NET SALES OF PROFESSIONAL BOOKS-BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 29 PUBLLISHERS

	ALL SALES		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
UNITED STATES	331434	88.4	94030	84.4	90347	96.8	131333	86.8
CANADA	8730	2.3	2167	1.9	1100	1.2	4592	3.0
FOREIGN (TOTAL)	34565	9.2	15155	13.6	1871	2.0	15306	10.1
LATIN AMERICA	2358	0.8	624	0.6	56	0.1	1601	1.5
AUSTRALIA & N.ZEALAND	1365	0.4	584	0.6	101	0.1	640	0.6
ASIA	9034	2.9	5083	5.1	559	0.8	2990	2.7
UNITED KINGDOM	7042	2.3	3893	3.9	587	0.8	2079	1.9
CONTINENTAL EUROPE	6505	2.1	2500	2.5	83	0.1	2945	2.7
AFRICA, NEAR & MIDDLE EAST	2134	0.7	908	0.9	102	0.1	870	0.8
UNSPECIFIED	6128		1564		382		4182	
TOTAL	374729	100.0	111352	100.0	93318	100.0	151231	100.0

TABLE B5 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS

	ALL PUBLISHERS			TECHNICAL AND SCIENTIFIC		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	284423	117.2	111.5 TO 116.7	70443	118.3	107.4 TO 119.3
RETURNS AND ALLOWANCES	41680	17.2	11.5 TO 16.7	10883	18.3	7.4 TO 19.3
NET SALES	242743	100.0	100.0 TO 100.0	59560	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	70063	28.9	25.8 TO 32.1	17926	30.1	21.8 TO 32.2
ROYALTIES	26770	11.0	7.1 TO 12.3	6680	11.2	5.4 TO 11.3
TOTAL COST OF SALES	96833	39.9	32.8 TO 44.8	24606	41.3	29.1 TO 42.3
GROSS MARGIN ON SALES	145910	60.1	55.2 TO 67.2	34954	58.7	57.7 TO 70.9
OTHER INCOME	6086	2.5	1.1 TO 4.3	1073	1.8	3.3 TO 7.9
OPERATING EXPENSE						
EDITORIAL	22639	9.3	7.2 TO 12.6	4714	8.0	7.4 TO 12.3
PRODUCTION	9615	4.0	1.4 TO 4.9	2420	4.1	2.5 TO 7.7
MARKETING	50630	20.9	17.0 TO 23.6	12205	20.6	18.0 TO 23.8
FULFILLMENT	14165	5.8	4.4 TO 8.3	2558	4.3	3.9 TO 7.8
GENERAL & ADMIN.	34246	14.1	11.3 TO 18.7	10186	17.2	12.2 TO 32.3
UNSPECIFIED	188	-		188		
TOTAL OPERATING EXPENSE	131483	54.2	47.8 TO 68.2	32271	54.2	61.8 TO 80.8
INCOME FROM OPERATIONS*	20513	8.5	0.9 TO 10.6	3756	6.3	-20.9 TO 15.4

* Please see corresponding note on page B-7.

Continued on page B-7

TABLE B5 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY CATEGORY OF PUBLICATION

Continued from page B-6

	BUSINESS & OTHER PROFESSIONAL			MEDICAL		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	61786	117.5	110.1 TO 123.3	136366	116.7	111.7 TO 116.6
RETURNS AND ALLOWANCES	9218	17.5	10.1 TO 23.3	19511	16.7	11.7 TO 16.6
NET SALES	52568	100.0	100.0 TO 100.0	116855	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	11289	21.5	20.9 TO 28.3	35135	30.1	26.7 TO 34.0
ROYALTIES	6063	11.5	7.6 TO 14.6	13307	11.4	9.0 TO 13.1
TOTAL COST OF SALES	17352	33.0	31.4 TO 40.2	48442	41.5	35.7 TO 46.6
GROSS MARGIN ON SALES	35216	67.0	59.8 TO 68.6	68413	58.5	53.4 TO 64.3
OTHER INCOME	1974	3.8	0.7 TO 4.0	2927	2.5	0.9 TO 5.1
OPERATING EXPENSE						
EDITORIAL	6218	11.8	8.1 TO 12.8	10685	9.1	6.8 TO 13.6
PRODUCTION	3509	6.7	2.0 TO 9.5	3389	2.9	1.2 TO 4.7
MARKETING	10550	20.1	17.4 TO 24.0	25895	22.2	17.2 TO 24.3
FULFILLMENT	4363	8.3	3.3 TO 16.6	5346	4.6	3.8 TO 8.2
GENERAL & ADMIN.	6910	13.1	11.9 TO 21.5	16159	13.8	11.1 TO 16.8
UNSPECIFIED	0			0		
TOTAL OPERATING EXPENSE	31550	60.0	56.4 TO 69.3	61474	52.6	46.8 TO 60.8
INCOME FROM OPERATIONS*	5640	10.7	-5.0 TO 14.4	9866	8.4	1.8 TO 13.1

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

OPERATING DATA

Operating data of Professional Publishers is reported in two sections. The first section, **Tables B5 through B14,** provides some breakdown by category of publication; while the second section, **Tables B15 through B23,** analyzes the data by size of publisher.

Tables B5 and B15 are summary tables, offering composite income statements of the reporting publishers. The remaining tables detail specific expense areas.

Publishers, while asked to provide sales data on a calendar year basis, were given the option to furnish operating information on a fiscal year basis. 4 publishers exercised this option. The months terminating their reporting year are listed below, together with the number of publishers for each fiscal period:

April - 2
July - 1
September - 1

TABLE B6 - MANUFACTURING EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS OF PROFESSIONAL
BOOKS, WITH TOTAL NET SALES OF $239,852,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	52535	33.5	23447	41.7	10261	41.2	13849	22.3
PURCHASES (TOTAL)	70410	44.8	21700	38.6	21233	85.2	21384	34.4
PLANT COSTS	28761	18.3	13305	23.8	4955	19.9	9595	15.4
PAPER, PRINTING & BINDING	41511	26.5	8257	14.8	16278	65.3	11789	19.0
UNSPECIFIED	138		138		0		0	
COST OF FREE BOOKS	1716	1.1	537	1.0	269	1.1	822	1.3
WRITE DOWNS	5373	3.4	2277	4.0	638	2.6	2051	3.3
ENDING INVENTORY AFTER WRITE DOWNS	49908	31.8	21671	38.5	8795	35.3	14170	22.8
TOTAL MANUFACTURING EXP.	71322	45.4	22939	40.8	22430	90.0	20241	32.6

The composite manufacturing cost figure in **Table B6** includes data that reflect varying treatments of plant costs. Since a levelling effect takes place when the data are consolidated, the possibility of distortion is minimized. Nevertheless, a publisher who compares his own data with those in the survey should bear in mind that the inventory and purchase figures shown represent a mix that includes plant costs being amortized, plant costs that have been inventoried, and even some plant costs that have been written off on publication.

To place the survey data in perspective, the practices of some participating publishers are listed here:

Written off as incurred - 1 publisher
Written into inventory - 6 publishers

Amortized over 1-4 years - 1 publisher
Amortized over 3 years - 1 publisher
Amortized over 3-5 years - 2 publishers
Amortized over 5 years - 4 publishers
Amortized over 6 years - 1 publisher

Although the group of publishers reporting plant cost treatment is not identical to that whose manufacturing costs are analyzed in **Tables B5 and B6,** the treatment report provides an indication of the proportion and the effect of the plant cost input on the analysis.

Additionally, 8 publishers with a total net sales of $160.5 million reported carrying $15.6 million in unamortized plant costs on their year-end balance sheets (9.7% of net sales).

TABLE B7 - ROYALTY EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS OF PROFESSIONAL
BOOKS, WITH TOTAL NET SALES OF $252,707,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	23294	9.2	7848	10.7	5267	6.2	9494	11.6
FEES IN LIEU OF ROYALTIES	242	0.1	95	0.2	16	0.0	108	0.1
ADVANCES WRITTEN OFF	716	0.3	550	0.9	60	0.1	95	0.1
TOTAL ROYALTIES	24253	9.6	8493	11.7	5343	6.3	9697	11.8

In **Table B7,** in addition to providing operating data on royalties, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end. 13 publishers responded, reporting a total aggregate advance of $3.9 million. As these publishers enjoyed combined net sales of $202.8 million, the advances reported represent 1.9% of net sales.

Detail given by category of publication included Technical & Scientific: $1.7 million in advances on net sales of $37.8 million (advances 4.5% of net sales); Business & Other Professional: $0.6 million in advances--0.8% of the reported net sales of $74.9 million; and Medical: $1.4 million in advances on net sales of $76.4 million (1.9% of net sales).

TABLE B8 - OTHER PUBLISHING INCOME-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL
BOOKS, WITH TOTAL NET SALES OF $287,510,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	6757	2.4	2938	4.2	883	1.1	2923	2.4
REPRINT	632	0.2	330	0.5	167	0.2	135	0.1
BOOK CLUB	681	0.2	421	0.6	128	0.2	125	0.1
PERMISSIONS	90	0.0	13	0.0	46	0.1	29	0.0
FOREIGN & TRANSLATION	4393	1.6	1892	2.7	471	0.6	2027	1.8
OTHER	800	0.3	282	0.4	70	0.1	446	0.4
UNSPECIFIED	161		0		0		161	
GENERAL	2934	1.0	1068	1.5	253	0.3	1513	1.3
TOTAL OTHER INCOME	9691	3.4	4007	5.7	1136	1.4	4436	3.7

TABLE B9 - EDITORIAL EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL
BOOKS, WITH TOTAL NET SALES OF $278,510,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	14262	5.1	2952	4.0	5837	6.9	5473	4.6
BENEFITS	2831	1.0	594	0.8	1116	1.3	1121	0.9
OUTSIDE EDITORIAL EXP	2129	0.8	907	1.2	283	0.3	938	0.8
TRAVEL & ENTERTAINMNT	1424	0.5	320	0.4	207	0.2	897	0.7
OTHER	3260	1.2	611	0.8	524	0.6	2125	1.8
TOTAL EDITORIAL EXPENSE	23906	8.6	5384	7.2	7968	9.4	10554	8.8

TABLE B10 - PRODUCTION EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL
BOOKS, WITH TOTAL NET SALES OF $278,510,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	7255	2.6	2085	2.8	2905	3.4	2265	1.9
BENEFITS	1508	0.5	423	0.6	549	0.6	536	0.4
OUTSIDE PRODUCT'N EXP	151	0.1	66	0.1	31	0.0	54	0.0
OTHER	-566	-0.2	300	0.4	-1294	-1.5	428	0.4
TOTAL PRODUCTION EXPENSE	8348	3.0	2874	3.9	2191	2.6	3283	2.7

TABLE B11 - MARKETING EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL
BOOKS, WITH TOTAL NET SALES OF $278,510,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE								
SALESMEN'S SALARIES & COMMISSIONS	8264	3.0	1900	2.6	2573	3.0	3791	3.2
SALESMEN'S BENEFITS	1350	0.5	307	0.4	449	0.5	594	0.5
SALESMEN'S TRAVEL & ENTERTAINMENT	1998	0.7	436	0.6	634	0.7	928	0.8
DEPARTMENTAL SALARIES	4239	1.5	918	1.2	362	0.4	2959	2.5
DEPARTMENTAL BENEFITS	765	0.3	155	0.2	68	0.1	542	0.5
DEPARTMENTAL TRAVEL & ENTERTAINMENT	839	0.3	201	0.3	75	0.1	563	0.5
OTHER	3264	1.2	667	0.9	128	0.2	2469	2.1
TOTAL SELLING EXPENSE	20719	7.4	4584	6.2	4288	5.1	11846	9.9
PROMOTION								
DEPARTMENTAL SALARIES	5102	1.8	1915	2.6	1634	1.9	1554	1.3
BENEFITS	1034	0.4	407	0.5	307	0.4	321	0.3
SPACE ADVERTISING	2061	0.7	964	1.3	265	0.3	831	0.7
CATALOGS & DIRECT MAIL (TOTAL)	15982	5.7	4723	6.4	4575	5.4	6683	5.6
CATALOGS	4819	1.7	1325	1.8	3161	3.7	333	0.3
DIRECT MAIL	11163	4.0	3399	4.6	1414	1.7	6350	5.3
PUBLICITY	39	0.0	10	0.0	14	0.0	16	0.0
FREE COPIES	3547	1.3	542	0.7	297	0.4	2709	2.3
EXHIBITS	985	0.4	223	0.3	116	0.1	647	0.5
OTHER	5471	2.0	3123	4.2	1006	1.2	1342	1.1
TOTAL PROMOTION EXPENSE	34223	12.3	11907	16.0	8213	9.7	14102	11.8
TOTAL MARKETING EXPENSE	54941	19.7	16492	22.2	12502	14.8	25948	21.7

TABLE B12 - FULFILLMENT EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS

5 PUBLISHERS WITH NET SALES OF $183,623,000 -- INTERNAL FACILITIES	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	2075	1.1	733	1.3	984	1.2	358	0.8
BENEFITS	444	0.2	150	0.3	222	0.3	72	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	1964	1.1	915	1.6	838	1.0	211	0.5
EQUIPMENT & SUPPLIES	370	0.2	134	0.2	196	0.2	40	0.1
OTHER	275	0.1	188	0.3	45	0.1	42	0.1
TOTAL ORDER PROCESSING	5127	2.8	2119	3.8	2285	2.8	723	1.6
SHIPPING & WAREHOUSING								
SALARIES	3293	1.8	1346	2.4	947	1.2	1000	2.2
BENEFITS	658	0.4	245	0.4	212	0.3	201	0.4
OCCUPANCY	1526	0.8	489	0.9	584	0.7	453	1.0
EQUIPMENT & SUPPLIES	466	0.3	196	0.3	96	0.1	174	0.4
TRANSPORTATION CHRGES	56	0.0	13	0.0	12	0.0	31	0.1
OTHER	-283	-0.2	-234	-0.4	-39	-0.0	-10	-0.0
TOTAL SHIPPING AND WAREHOUSING	5715	3.1	2054	3.7	1813	2.2	1849	4.0
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	10842	5.9	4173	7.4	4098	5.0	2572	5.6

6 PUBLISHERS WITH NET SALES OF $71,607,000 -- SPLIT FACILITIES	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	983	1.4	483	3.0	118	4.0	382	0.7
BENEFITS	145	0.2	65	0.4	23	0.8	56	0.1
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	163	0.2	16	0.1	9	0.3	138	0.3
EQUIPMENT & SUPPLIES	87	0.1	50	0.3	8	0.3	28	0.1
OTHER	118	0.2	74	0.5	10	0.4	34	0.1
TOTAL ORDER PROCESSING	1496	2.1	689	4.3	169	5.7	638	1.2
TOTAL SHIPPING AND WAREHOUSING	894	1.3	0	0.0	0	0.0	894	1.7
TOTAL FULFILLMENT EXP. UTILIZING INTERNAL FACILITIES	2390	3.3	689	4.3	169	5.7	1532	2.9
ORDER PROCESSING	424	0.6	202	1.2	91	3.1	132	0.3
SHIPPING & WAREHOUSING	885	1.2	326	2.0	139	4.7	421	0.8
TOTAL FULFILLMENT EXP. EMPLOYING OUTSIDE SERVICES	1309	1.8	528	3.3	229	7.7	553	1.1
TOTAL FULFILLMENT EXPENSE	3699	5.2	1217	7.5	398	13.5	2084	4.0

TABLE B13 - GENERAL AND ADMINISTRATIVE EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $195,712,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	3258	1.7	1198	2.1	585	2.3	1475	1.3
MANAGEMENT BENEFITS	718	0.4	357	0.6	101	0.4	260	0.2
ACCOUNTING SALARIES	2508	1.3	829	1.4	215	0.9	1464	1.3
ACCOUNTING BENEFITS	777	0.4	135	0.2	80	0.3	563	0.5
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	2341	1.2	417	0.7	388	1.6	1536	1.4
GENERAL OFFICE BENEFITS	943	0.5	97	0.2	96	0.4	750	0.7
GENERAL TRAVEL AND ENTERTAINMENT	693	0.4	139	0.2	150	0.6	404	0.4
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	5184	2.6	1731	3.0	272	1.1	3181	2.8
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	5244	2.7	2303	4.0	828	3.3	2114	1.9
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	542	0.3	212	0.4	14	0.1	316	0.3
PERSONAL PROP. TAXES	132	0.1	58	0.1	5	0.0	69	0.1
ALL OTHER	398	0.2	148	0.3	9	0.0	241	0.2
UNSPECIFIED	13		7		0		6	
OTHER	7099	3.6	2610	4.5	865	3.5	3623	3.2
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	29307	15.0	10027	17.3	3594	14.4	15686	13.9

TABLE B14 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $257,250,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	987	0.4	636	0.9	295	0.3	56	0.1
DEFERRED PROFIT SHARING	487	0.2	151	0.2	82	0.1	254	0.3
HOSPITALIZATION & GROUP INSURANCE	3090	1.2	941	1.3	986	1.2	1163	1.2
PAYROLL TAXES	3823	1.5	1214	1.6	1086	1.3	1524	1.6
OTHER	1976	0.8	268	0.4	468	0.6	1240	1.3
TOTAL EMPLOYEE BENEFITS	10363	4.0	3210	4.3	2917	3.5	4236	4.3

TABLE B15 – OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS–BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS

	ALL PUBLISHERS			6 PUBLISHERS WITH NET SALES UP TO $5 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	284423	117.2	111.5 TO 116.7	14271	111.2	105.3 TO 112.2
RETURNS AND ALLOWANCES	41680	17.2	11.5 TO 16.7	1433	11.2	5.3 TO 12.2
NET SALES	242743	100.0	100.0 TO 100.0	12838	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	70063	28.9	25.8 TO 32.1	3533	27.5	23.7 TO 32.3
ROYALTIES	26770	11.0	7.1 TO 12.3	1146	8.9	4.4 TO 10.9
TOTAL COST OF SALES	96833	39.9	32.8 TO 44.8	4679	36.4	29.7 TO 41.6
GROSS MARGIN ON SALES	145910	60.1	55.2 TO 67.2	8159	63.6	58.4 TO 70.3
OTHER INCOME	6086	2.5	1.1 TO 4.3	207	1.6	1.7 TO 4.1
OPERATING EXPENSE						
EDITORIAL	22639	9.3	7.2 TO 12.6	1314	10.5	6.3 TO 12.9
PRODUCTION	9615	4.0	1.4 TO 4.9	413	3.3	1.2 TO 5.1
MARKETING	50630	20.9	17.0 TO 23.6	2539	20.2	13.8 TO 27.9
FULFILLMENT	14165	5.8	4.4 TO 8.3	1186	9.5	6.9 TO 10.9
GENERAL & ADMIN.	34246	14.1	11.3 TO 18.7	2480	19.8	12.5 TO 30.0
UNSPECIFIED	188			188		
TOTAL OPERATING EXPENSE	131483	54.2	47.8 TO 68.2	8120	63.2	57.8 TO 72.1
INCOME FROM OPERATIONS*	20513	8.5	0.9 TO 10.6	246	1.9	-7.7 TO 6.3

Continued on page B-15

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

TABLE B15 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY SIZE OF PUBLISHER

Continued from page B-14

	5 PUBLISHERS WITH NET SALES $5 TO $20 MILLION			4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	94806	117.1	115.4 TO 119.0	175346	117.7	114.1 TO 120.1
RETURNS AND ALLOWANCES	13822	17.1	15.4 TO 19.0	26425	17.7	14.1 TO 20.1
NET SALES	80984	100.0	100.0 TO 100.0	148921	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	25351	31.3	26.1 TO 38.7	41179	27.7	21.0 TO 31.6
ROYALTIES	8599	10.6	6.1 TO 14.6	17025	11.4	10.1 TO 12.5
TOTAL COST OF SALES	33950	41.9	37.2 TO 47.9	58204	39.1	31.1 TO 44.1
GROSS MARGIN ON SALES	47034	58.1	52.1 TO 62.8	90717	60.9	55.9 TO 68.9
OTHER INCOME	2648	3.3	1.5 TO 4.9	3231	2.2	0.4 TO 5.4
OPERATING EXPENSE						
EDITORIAL	8536	10.5	7.6 TO 13.7	12789	8.6	6.7 TO 12.6
PRODUCTION	1776	2.2	1.0 TO 3.8	7426	5.0	3.2 TO 8.5
MARKETING	14961	18.5	15.9 TO 21.7	33130	22.2	19.5 TO 26.4
FULFILLMENT	5619	6.9	4.8 TO 10.4	7360	4.9	3.3 TO 6.5
GENERAL & ADMIN.	12116	15.0	8.6 TO 22.2	19650	13.2	11.8 TO 15.2
UNSPECIFIED	0			0		
TOTAL OPERATING EXPENSE	43008	53.1	45.9 TO 62.0	80355	54.0	49.5 TO 59.8
INCOME FROM OPERATIONS*	6674	8.2	-12.0 TO 31.1	13593	9.1	2.7 TO 16.1

* See the corresponding note on page B-14.

TABLE B16 - MANUFACTURING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $239,852,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		4 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		3 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	52535	33.5	2709	25.0	14214	21.4	35612	44.5
PURCHASES (TOTAL)	70410	44.8	3059	28.3	22541	34.0	44810	56.0
PLANT COSTS	28761	18.3	1163	11.3	6200	9.4	21398	26.8
PAPER, PRINTING & BINDING	41511	26.5	1759	17.0	16341	24.7	23412	29.3
UNSPECIFIED	138		138		0		0	
COST OF FREE BOOKS	1716	1.1	58	0.5	493	0.7	1165	1.5
WRITE DOWNS	5373	3.4	467	4.3	2598	3.9	2308	2.9
ENDING INVENTORY AFTER WRITE DOWNS	49908	31.8	2979	27.5	16199	24.4	30730	38.4
TOTAL MANUFACTURING EXP.	71322	45.4	2732	25.3	20063	30.3	48527	60.7

See also the discussion following **Table B-6.**

TABLE B17 - ROYALTY EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $252,707,000

	ALL PUBLISHERS		4 PUBLISHERS WITH NET SALES UP TO $5 MILLION		5 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		3 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	23294	9.2	876	9.6	8371	10.3	14048	8.6
FEES IN LIEU OF ROYALTIES	242	0.1	15	0.3	82	0.1	145	0.1
ADVANCES WRITTEN OFF	716	0.3	0	0.0	145	0.2	571	0.4
TOTAL ROYALTIES	24253	9.6	891	9.9	8598	10.6	14764	9.1

TABLE B18 - EDITORIAL EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $278,510,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		4 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	14262	5.1	688	5.5	3912	5.8	9662	4.9
BENEFITS	2831	1.0	164	1.3	644	1.0	2023	1.0
OUTSIDE EDITORIAL EXP	2129	0.8	297	2.4	901	1.3	931	0.5
TRAVEL & ENTERTAINMNT	1424	0.5	90	0.7	376	0.6	958	0.5
OTHER	3260	1.2	73	0.6	1680	2.5	1506	0.8
TOTAL EDITORIAL EXPENSE	23906	8.6	1313	10.4	7513	11.2	15080	7.6

TABLE B19 - PRODUCTION EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $278,510,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		4 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	7255	2.6	297	2.4	968	1.4	5991	3.0
BENEFITS	1508	0.5	65	0.5	109	0.2	1334	0.7
OUTSIDE PRODUCT'N EXP	151	0.1	79	0.6	37	0.1	35	0.0
OTHER	-566	-0.2	-27	-0.2	366	0.5	-904	-0.5
TOTAL PRODUCTION EXPENSE	8348	3.0	414	3.3	1479	2.2	6455	3.2

TABLE B20 - MARKETING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $278,510,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		4 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE								
SALESMEN'S SALARIES & COMMISSIONS	8264	3.0	111	0.9	1243	1.8	6910	3.5
SALESMEN'S BENEFITS	1350	0.5	10	0.1	135	0.2	1205	0.6
SALESMEN'S TRAVEL & ENTERTAINMENT	1998	0.7	6	0.0	346	0.5	1646	0.8
DEPARTMENTAL SALARIES	4239	1.5	314	2.5	1299	1.9	2626	1.3
DEPARTMENTAL BENEFITS	765	0.3	69	0.5	157	0.2	540	0.3
DEPARTMENTAL TRAVEL & ENTERTAINMENT	839	0.3	18	0.1	210	0.3	611	0.3
OTHER	3264	1.2	142	1.1	1308	1.9	1814	0.9
TOTAL SELLING EXPENSE	20719	7.4	670	5.3	4697	7.0	15351	7.7
PROMOTION								
DEPARTMENTAL SALARIES	5102	1.8	151	1.2	755	1.1	4196	2.1
BENEFITS	1034	0.4	37	0.3	104	0.2	893	0.4
SPACE ADVERTISING	2061	0.7	141	1.1	306	0.5	1614	0.8
CATALOGS & DIRECT MAIL (TOTAL)	15982	5.7	1372	10.9	4330	6.4	10280	5.2
CATALOGS	4819	1.7	259	2.1	162	0.2	4398	2.2
DIRECT MAIL	11163	4.0	1113	8.8	4168	6.2	5882	3.0
PUBLICITY	39	0.0	6	0.0	23	0.0	11	0.0
FREE COPIES	3547	1.3	66	0.5	576	0.9	2906	1.5
EXHIBITS	985	0.4	57	0.4	423	0.6	505	0.3
OTHER	5471	2.0	41	0.3	1767	2.6	3664	1.8
TOTAL PROMOTION EXPENSE	34223	12.3	1869	14.8	8285	12.3	24069	12.1
TOTAL MARKETING EXPENSE	54941	19.7	2539	20.1	12982	19.3	39420	19.8

TABLE B21 - FULFILLMENT EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

5 PUBLISHERS WITH NET SALES OF $149,806,000 UTILIZING INTERNAL FACILITIES	ALL PUBLISHERS		1 PUBLISHER WITH NET SALES UP TO $5 MILLION		1 PUBLISHER WITH NET SALES $5 TO $20 MILLION		3 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	2075	1.1					1909	1.2
BENEFITS	444	0.2					401	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	1964	1.1					1863	1.1
EQUIPMENT & SUPPLIES	370	0.2					353	0.2
OTHER	275	0.1					275	0.2
TOTAL ORDER PROCESSING	5127	2.8					4801	3.0
SHIPPING & WAREHOUSING								
SALARIES	3293	1.8					2837	1.7
BENEFITS	658	0.4					543	0.3
OCCUPANCY	1526	0.8					1279	0.8
EQUIPMENT & SUPPLIES	466	0.3					369	0.2
TRANSPORTATION CHRGES	56	0.0					44	0.0
OTHER	-283	-0.2					-283	-0.2
TOTAL SHIPPING AND WAREHOUSING	5715	3.1					4788	2.9
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	10842	5.9					9589	5.9

Data for publishers with Net Sales Up To $5 Million, and for Publishers with Net Sales $5-$20 Million have been suppressed to prevent disclosure.

TABLE B22 - GENERAL AND ADMINISTRATIVE EXPENSE-BY SIZE OF PUBLISHER

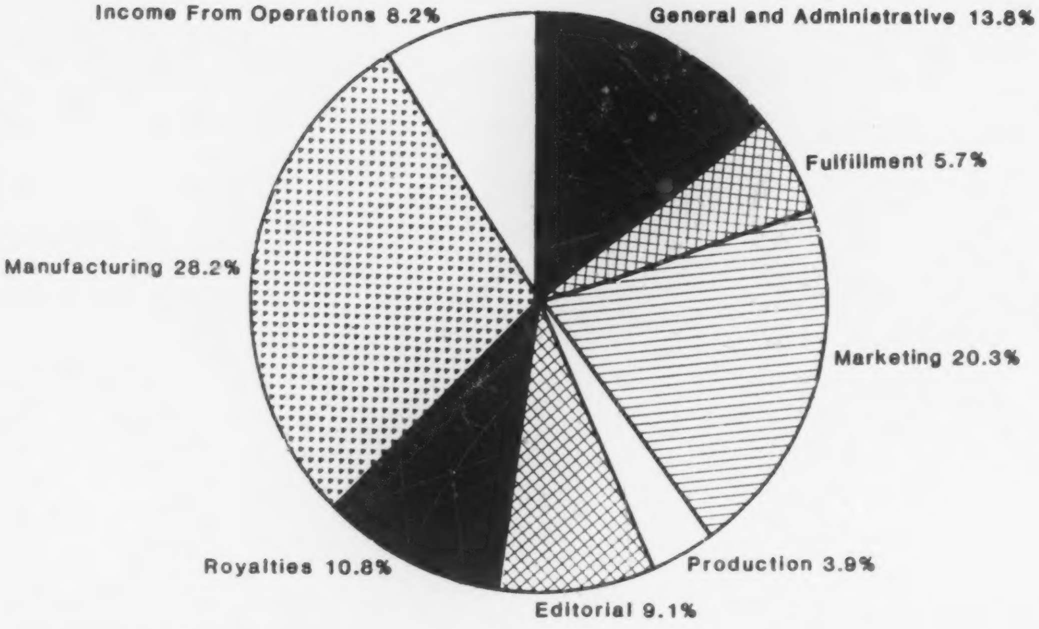
THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $195,712,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		4 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		3 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	3258	1.7	596	4.7	815	1.2	1847	1.6
MANAGEMENT BENEFITS	718	0.4	223	1.8	72	0.1	424	0.4
ACCOUNTING SALARIES	2508	1.3	234	1.9	975	1.5	1298	1.1
ACCOUNTING BENEFITS	777	0.4	23	0.2	446	0.7	308	0.3
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	2341	1.2	145	1.1	833	1.2	1363	1.2
GENERAL OFFICE BENEFITS	943	0.5	31	0.2	526	0.8	387	0.3
GENERAL TRAVEL AND ENTERTAINMENT	693	0.4	15	0.1	277	0.4	401	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	5184	2.6	22	0.2	2294	3.4	2868	2.5
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	5244	2.7	447	3.5	1764	2.6	3033	2.6
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	542	0.3	29	0.2	283	0.4	230	0.2
PERSONAL PROP. TAXES	132	0.1	14	0.1	78	0.1	40	0.0
ALL OTHER	398	0.2	3	0.0	204	0.3	191	0.2
UNSPECIFIED	13		13		0		0	
OTHER	7099	3.6	715	5.7	2841	4.2	3543	3.1
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	29307	15.0	2480	19.7	11124	16.5	15703	13.6

TABLE B23 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $257,250,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		3 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	987	0.4	93	0.8	201	0.4	693	0.3
DEFERRED PROFIT SHARING	487	0.2	0	0.0	0	0.0	487	0.2
HOSPITALIZATION & GROUP INSURANCE	3090	1.2	242	2.2	544	1.1	2304	1.2
PAYROLL TAXES	3823	1.5	186	1.7	599	1.3	3038	1.5
OTHER	1976	0.8	24	0.2	161	0.3	1791	0.9
TOTAL EMPLOYEE BENEFITS	10363	4.0	546	5.0	1505	3.2	8312	4.2



Based on data reported in Table B5
Income (100%) Equals Net Sales (97.6%) plus Other Income (2.4%)

FIGURE B2 - 1986 DISPOSITION OF INCOME BY PROFESSIONAL PUBLISHERS

TABLE B24 - EMPLOYEE DATA

AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL
BOOKS, EMPLOYING 1,993 TOTAL STAFF
(NET SALES PER EMPLOYEE--$127,811)

	PERCENT OF TOTAL	
	AVERAGE	MID-RANGE
EDITORIAL	24.5	15.4 TO 29.1
PRODUCTION	18.7	9.2 TO 20.0
MARKETING (TOTAL)	24.7	16.7 TO 32.2
SALESMEN	9.0	3.9 TO 12.3
SALES DEPARTMENT	7.0	4.2 TO 19.0
PROMOTION	8.8	7.1 TO 14.3
FULFILLMENT (TOTAL)	13.9	11.4 TO 25.4
ORDER PROCESSING	8.5	4.8 TO 18.7
SHIPPING & WAREHOUS'G	5.4	2.5 TO 10.7
ADMINISTRATIVE MANAGEM'T	5.6	4.5 TO 15.5
GENERAL OFFICE	10.4	8.3 TO 15.8
OTHER	2.2	2.4 TO 4.5
EMPLOYEES PER $100,000 SALES	0.8	0.7 TO 0.9

TABLE B25 - BILLINGS AND RECEIVABLES

OF PROFESSIONAL BOOK PUBLISHERS

	NUMBER OF PUBL. REP'TG	AMOUNT
NET SALES ($000)	13	232929
NUMBER OF INVOICES ANNUALLY (000)	9	969
AVERAGE INV. VALUE-$		93.49
NUMBER OF CREDIT MEMOS ANNUALLY (000)		134
ACC'TS RECEIVABLE (AT YEAR END - $000)	13	54120
A/R AS PCT OF NET SLS		23.2
ACC'TS RECEIVABLE - AGED TOTAL ($000)	10	50163
PCT. CURRENT		63.7
PCT. PAST DUE		
1-30 DAYS		15.3
31-60 DAYS		7.7
61 DAYS & OVER		13.2
BAD DEBT RESERVE ($000)	13	4192
PCT. OF NET SALES		1.8
PCT. OF ACC'TS RECE.		7.7
BAD DEBT LOSSES ($000)	12	1840
PCT. OF NET SALES		0.9
PCT. OF ACC'TS RECE.		4.0
AVERAGE COLLECTION PERIOD (DAYS)	10	97
RANGE (DAYS)		56-123

TABLE B26 - INVENTORY TURNOVER

OF PROFESSIONAL BOOK PUBLISHERS

	NUMBER OF PUBL. REP'TS	NET SALES ($000)	INV. TURN-OVER
TECHNICAL & SCIENTIFIC	7	72474	1.0
BUSINESS & OTHER PROF'L	6	84527	2.4
MEDICAL	8	69091	1.4
SALES UP TO $5 MILLION	5	10818	1.0
SALES $5 TO $20 MILLION	4	66287	1.3
SALES ABOVE $20 MILLION	3	162747	1.5

In **Table B26** inventory turnover is established by dividing Total Manufacturing Cost by the average of Beginning Inventory and Ending Inventory After Writedowns. For pertinent definitions, refer to pages B1 and B2 of Operating Data Questionnaire Form B. Also please note the text comments on plant costs and plant cost treatment following **Table B6.**

In comparing his own inventory turnover with that reported here, a publisher should bear in mind not only the possible impact of plant cost treatment on inventory values, but also the variations in such values resulting from differing writedown policies. Most writedown practices in the industry must, perforce, be based on the subjective judgement of market values, reflecting varying life expectancies and turnover of product lines and individual titles. A publisher must keep his own sales patterns in mind, therefore, when making the comparison.

SECTION C - MASS MARKET PAPERBACK PUBLISHERS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM C (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

Table C1 provides a sales summary based on data reported by 11 rack-sized book publishers and by 9 non-rack-sized publishers.

These publishers of mass market paperbacks reported net sales of $707.0 million to this 1986 Survey. Of these sales $604.8 million were in rack-sized books (i.e. books measuring 4-1/4" x 7-1/8") and $102.2 million were in non-rack-sized books (including a range of paperback books, smaller and larger than rack-sized, but excluding non-book products.) Based on the estimates of industry sales in **Table S1** and its accompanying footnotes, the participating publishers appear to represent some 75.6% of this industry segment.

Table C2 provides a breakdown of these sales by type of customer. **Table C3** and subsequent tables are devoted to reporting operating, balance sheet, and employee data.

TABLE C1 - SALES OF MASS MARKET PAPERBACKS

MILLIONS OF DOLLARS AND UNITS - AS REPORTED BY 11 PUBLISHERS

A. RACK-SIZED BOOKS	1986			1985			PERCENT CHANGE 86/85		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	1010.8	558.2	1.811	981.7	562.0	1.747	3.0	-0.7	3.7
CREDITED RETURNS	405.9	223.0	1.820	376.1	223.9	1.680	7.9	-0.4	8.3
NET SALES	604.8	335.2	1.804	605.5	338.1	1.791	-0.1	-0.9	0.7
PERCENT RETURNS TO GROSS	40.2	40.0		38.3	39.8		5.0	0.5	

	1984			PERCENT CHANGE 86/84			PERCENT CHANGE 85/84		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	935.0	626.0	1.494	8.1	-10.8	21.2	5.0	-10.2	16.9
CREDITED RETURNS	356.9	229.0	1.559	13.7	-2.6	16.7	5.4	-2.3	7.8
NET SALES	578.1	397.0	1.456	4.6	-15.6	23.9	4.8	-14.8	23.0
PERCENT RETURNS TO GROSS	37.9	41.8		1.1	-4.1		0.2	8.7	

Continued on page C-2

TABLE C1 - SALES OF MASS MARKET PAPERBACKS

Continued from page C-1

MILLIONS OF DOLLARS AND UNITS - AS REPORTED BY 9 PUBLISHERS

B. NON-RACK-SIZED BOOKS	1986			1985			PERCENT CHANGE 86/85		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	136.5	49.5	2.755	134.6	49.5	2.716	1.4	0.0	1.4
CREDITED RETURNS	34.3	10.8	3.183	34.0	11.3	2.997	1.0	-4.9	6.2
NET SALES	102.2	38.8	2.637	100.6	38.2	2.635	1.6	1.5	0.0
PERCENT RETURNS TO GROSS	25.1	21.7		25.2	22.9		-0.4	-5.2	

	1984			PERCENT CHANGE 86/84			PERCENT CHANGE 85/84		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	133.8	53.1	2.518	2.0	-6.8	9.4	0.6	-6.8	7.9
CREDITED RETURNS	34.9	11.4	3.067	-1.6	-5.2	3.8	-2.6	-0.3	-2.3
NET SALES	98.9	41.8	2.369	3.3	-7.2	11.3	1.7	-8.6	11.2
PERCENT RETURNS TO GROSS	26.1	21.4		-3.8	1.4		-3.4	2.2	

TABLE C2a - SALES OF RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS AND UNITS AS REPORTED BY 11 PUBLISHERS

RACK-SIZED BOOKS 1986	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	405243	214995	1.885						
REORDERS	104395	58057	1.798						
TOTAL WHOLESALERS	509638	273052	1.866	271059	150400	1.802	238579	122652	1.945
DIRECT ACCOUNTS									
JOBBERS	162152	91327	1.776	39941	22174	1.801	122211	69153	1.767
RETAILERS	300968	157883	1.906	89679	47109	1.904	211289	110774	1.907
EXPORT & MILITARY	20442	16059	1.273	5029	3212	1.566	15413	12847	1.200
TOTAL DIRECT	483562	265269	1.559	134648	72496	1.857	348914	192773	1.810
SPECIAL SALES	17559	19861	0.884	237	113	2.097	17322	19748	0.877
TOTAL	1010759	558182	1.811	405943	223009	1.820	604816	335173	1.804
WEIGHTED AVERAGE COVER PRICE ($)	3.630								

Continued on page C-3

TABLE C2a - SALES OF RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

Continued from page C-2

RACK-SIZED BOOKS 1985	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	379307	212713	1.783						
REORDERS	106541	62611	1.702						
TOTAL WHOLESALERS	485848	275324	1.765	258055	155526	1.659	227793	119798	1.901
DIRECT ACCOUNTS									
JOBBERS	148222	86025	1.723	34921	21204	1.647	113301	64821	1.748
RETAILERS	313314	168126	1.864	78158	43612	1.792	235156	124514	1.889
EXPORT & MILITARY	20548	16475	1.247	4872	3435	1.418	15676	13040	1.202
TOTAL DIRECT	482084	270626	1.781	117951	68252	1.728	364133	202374	1.799
SPECIAL SALES	13720	16025	0.856	119	85	1.400	13601	15940	0.853
TOTAL	981653	561975	1.747	376125	223863	1.680	605528	338112	1.791
WEIGHTED AVERAGE COVER PRICE ($)	3.475								

RACK-SIZED BOOKS 1984	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	365623	244248	1.497						
REORDERS	91726	62379	1.470						
TOTAL WHOLESALERS	463475	306627	1.512	233971	155381	1.506	229504	151246	1.517
DIRECT ACCOUNTS									
JOBBERS	133820	87825	1.524	33424	20330	1.644	100396	67495	1.487
RETAILERS	300546	181370	1.657	84626	49608	1.706	215920	131762	1.639
EXPORT & MILITARY	20020	19286	1.038	4768	3566	1.337	15252	15720	0.970
TOTAL DIRECT	454386	288481	1.575	122818	73504	1.671	331568	214977	1.542
SPECIAL SALES	17131	30878	0.555	152	143	1.063	16979	30735	0.552
TOTAL	934992	625986	1.494	356942	229029	1.559	578050	396957	1.456
WEIGHTED AVERAGE COVER PRICE ($)	3.234								

WEIGHTED AVERAGE COVER PRICE

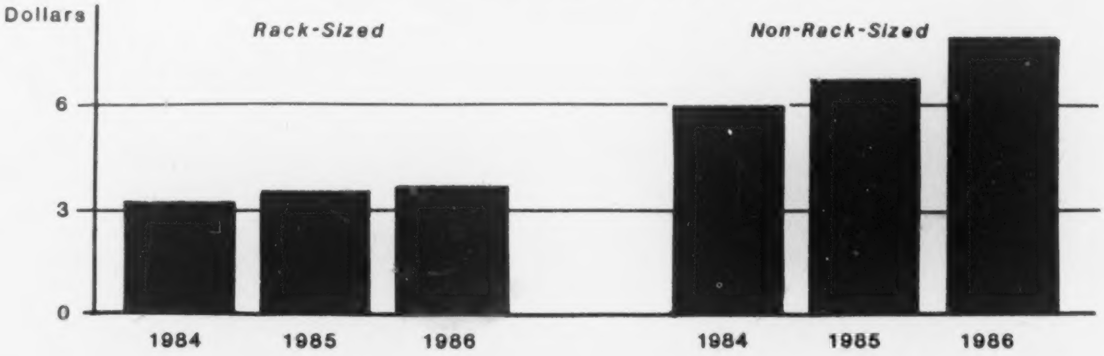


TABLE C2b - SALES OF NON-RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS AND UNITS AS REPORTED BY 9 PUBLISHERS

NON-RACK-SIZED BOOKS 1986	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	18608	5768	3.226						
REORDERS	10305	5107	2.018						
TOTAL WHOLESALERS	28913	10875	2.659	11180	4279	2.613	17733	6596	2.688
DIRECT ACCOUNTS									
JOBBERS	31620	12530	2.524	7622	2148	3.548	23998	10382	2.312
RETAILERS	68890	23071	2.986	14746	4039	3.651	54144	19032	2.845
EXPORT & MILITARY	2141	802	2.670	342	111	3.081	1799	691	2.603
TOTAL DIRECT	102651	36403	2.820	22710	6298	3.606	79941	30105	2.655
SPECIAL SALES	4935	2260	2.184	397	194	2.046	4538	2066	2.197
TOTAL	136499	49537	2.755	34287	10771	3.183	102212	38766	2.637
WEIGHTED AVERAGE COVER PRICE ($)	7.964								

NON-RACK-SIZED BOOKS 1985	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	18658	6411	2.910						
REORDERS	10374	4801	2.161						
TOTAL WHOLESALERS	29032	11212	2.589	12358	4513	2.738	16674	6699	2.489
DIRECT ACCOUNTS									
JOBBERS	30158	12162	2.480	6385	2083	3.065	23773	10079	2.359
RETAILERS	70612	23482	3.007	14225	4244	3.352	56387	19238	2.931
EXPORT & MILITARY	2233	1049	2.129	385	198	1.944	1848	851	2.172
TOTAL DIRECT	103004	36694	2.807	20995	6525	3.218	82009	30169	2.718
SPECIAL SALES	2552	1611	1.584	599	292	2.051	1953	1319	1.481
TOTAL	134588	49517	2.716	33951	11329	2.997	100637	38188	2.635
WEIGHTED AVERAGE COVER PRICE ($)	6.746								

NON-RACK-SIZED BOOKS 1984	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	21223	7478	2.838						
REORDERS	11132	5372	2.072						
TOTAL WHOLESALERS	32355	12850	2.518	11824	4365	2.709	20531	8485	2.420
DIRECT ACCOUNTS									
JOBBERS	27249	12212	2.231	7472	2316	3.226	19777	9896	1.998
RETAILERS	68610	25242	2.718	15258	4564	3.343	53352	20678	2.580
EXPORT & MILITARY	2704	1240	2.181	277	108	2.565	2427	1132	2.144
TOTAL DIRECT	98563	38694	2.547	23006	6988	3.292	75557	31706	2.383
SPECIAL SALES	2871	1582	1.815	24	11	2.182	2847	1571	1.812
TOTAL	133789	53127	2.518	34854	11364	3.067	98935	41763	2.369
WEIGHTED AVERAGE COVER PRICE ($)	5.982								

TABLE C3a - OPERATING DATA OF MASS MARKET PAPERBACK PUBLISHERS (RACK-SIZED BOOKS ONLY)

THOUSANDS OF DOLLARS - AS REPORTED BY 5 PUBLISHERS

	1986			1985		
	$	PERCENT OF GROSS SALES		$	PERCENT OF GROSS SALES	
		%	RANGE		%	RANGE
REVENUES						
GROSS SALES	687982	100.0	100.0 TO 100.0	655973	100.0	100.0 TO 100.0
INCENTIVES	18227	2.6	0.6 TO 5.4	20431	3.1	0.8 TO 6.2
RETURNS & ALLOW. -						
CREDITED	276839	40.2	35.1 TO 47.8	244255	37.2	31.9 TO 44.0
ADD'L PROVISION	-276	-0.0	-0.8 TO 0.3	5177	0.8	0.6 TO 3.6
ALLOWANCES	-8	-0.0	-0.0 TO 0.0	373	0.1	0.0 TO 0.3
TOTAL INCENTIVES & RETURNS	294782	42.8	37.1 TO 48.7	270236	41.2	35.3 TO 50.2
NET SALES	393200	57.2	51.3 TO 62.9	385737	58.8	49.8 TO 64.7
COST OF SALES						
COST OF GOODS MANUFACTURED & SOLD	117277	17.1	12.4 TO 19.9	116216	17.7	16.4 TO 18.9
ROYALTIES	102442	14.9	13.1 TO 17.8	95180	14.5	12.6 TO 16.7
FREIGHT & DUTY	23411	3.4	2.6 TO 6.3	23539	3.6	3.1 TO 5.2
TOTAL COST OF SALES	243130	35.3	32.8 TO 39.7	234935	35.8	33.6 TO 38.3
GROSS PROFIT	150070	21.8	16.6 TO 25.7	150802	23.0	16.2 TO 26.4
EXPENSES						
EDITORIAL	7758	1.1	0.6 TO 1.3	7872	1.2	0.6 TO 1.6
PRODUCTION	4179	0.6	0.4 TO 0.9	4108	0.6	0.4 TO 0.9
PROMOTION AND PUBLICITY	32967	4.8	3.3 TO 5.6	29847	4.6	3.3 TO 5.6
ALL OTHER EXPENSE OR (INCOME) NET	74172	10.8	3.6 TO 13.6	71975	11.0	6.4 TO 13.0
TOTAL EXPENSE	119076	17.3	9.8 TO 20.9	113802	17.3	11.3 TO 20.4
INCOME BEFORE TAX, INTEREST EXPENSE & MANAGEMENT FEES*	30994	4.5	1.0 TO 11.2	37000	5.6	4.6 TO 6.8

In addition to the tabular data reported in **Table C3a,** Gross Sales Units were estimated to be 369,300,000 in 1986 and 358,334,000 in 1985, while Returns Units were estimated at 137,860,000 in 1986 and 137,856,000 in 1985.

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

TABLE C3b - REVENUES AND COST OF SALES OF NON-RACK-SIZED BOOK PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 5 PUBLISHERS

	1986			1985		
	$	PERCENT OF GROSS SALES		$	PERCENT OF GROSS SALES	
		%	RANGE		%	RANGE
REVENUES						
GROSS SALES	96782	100.0	100.0 TO 100.0	93912	100.0	100.0 TO 100.0
INCENTIVES	707	0.7	0.6 TO 3.7	612	0.7	0.6 TO 4.2
RETURNS & ALLOW. -						
CREDITED	25847	26.7	21.1 TO 28.7	22252	23.7	18.2 TO 30.0
ADD'L PROVISION	-133	-0.1	-7.9 TO 18.7	1022	1.1	-5.4 TO 8.2
ALLOWANCES	743	0.8	0.0 TO 5.2	-5431	-5.8	-31.0 TO 0.1
TOTAL INCENTIVES & RETURNS	27164	28.1	20.9 TO 39.7	18455	19.7	12.3 TO 26.4
NET SALES	69617	71.9	60.3 TO 79.1	75457	80.3	73.6 TO 87.7
COST OF SALES						
COST OF GOODS MANUFACTURED & SOLD	25939	26.8	20.4 TO 29.4	25618	27.3	18.8 TO 33.3
ROYALTIES	13964	14.4	11.6 TO 22.6	15453	16.5	14.2 TO 28.8
FREIGHT & DUTY	2094	2.2	1.3 TO 4.6	1508	1.6	0.7 TO 4.6
TOTAL COST OF SALES	41997	43.4	36.7 TO 49.5	42579	45.3	37.0 TO 49.9
GROSS PROFIT	27620	28.5	23.6 TO 39.0	32878	35.0	27.1 TO 63.3

In addition to the tabular data reported in **Table C3b**, Gross Sales Units were estimated to be 24,407,000 in 1986 and 25,463,000 in 1985, while Returns Units were estimated at 6,619,000 in 1986 and 6,166,000 in 1985.

TABLE C4 - RESERVE FOR RETURNS OF MASS MARKET PAPERBACK PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 5 PUBLISHERS

	RACK-SIZED BOOKS				NON-RACK-SIZED BOOKS			
	1986		1985		1986		1985	
	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES
GROSS SALES	687982	100.0	655973	100.0	96782	100.0	93912	100.0
NET SALES	393200	57.2	385737	58.8	69617	71.9	75457	80.3
RESERVE FOR RETURNS	105330	15.3	109244	16.7	31256	32.3	35359	37.7

TABLE C5 - EDITORIAL, PRODUCTION, AND MARKETING EXPENSE (RACK-SIZED BOOKS ONLY)

THOUSANDS OF DOLLARS - AS REPORTED BY 5 PUBLISHERS
WITH TOTAL 1986 GROSS SALES OF $687,982,000

	1986			1985		
		PERCENT OF GROSS SALES			PERCENT OF GROSS SALES	
	$	%	MID-RANGE	$	%	MID-RANGE
EDITORIAL EXPENSE						
SALARIES	4222	0.6	0.5 TO 0.7	4469	0.7	0.5 TO 0.9
BENEFITS	984	0.1	0.1 TO 0.2	1021	0.2	0.1 TO 0.2
ALL OTHER	2552	0.4	0.2 TO 0.5	2382	0.4	0.2 TO 0.5
TOTAL EDITORIAL EXPENSE	7758	1.1	0.8 TO 1.3	7872	1.2	0.9 TO 1.4
PRODUCTION EXPENSE						
SALARIES	2579	0.4	0.3 TO 0.5	2489	0.4	0.3 TO 0.5
BENEFITS	609	0.1	0.1 TO 0.1	565	0.1	0.1 TO 0.1
ALL OTHER	991	0.1	0.0 TO 0.3	1054	0.2	0.0 TO 0.3
TOTAL PRODUCTION EXPENSE	4179	0.6	0.5 TO 0.8	4108	0.6	0.5 TO 0.8
PROMOTION & PUBLICITY						
SALARIES	2000	0.3	0.3 TO 0.4	2120	0.3	0.3 TO 0.5
BENEFITS	470	0.1	0.1 TO 0.1	480	0.1	0.1 TO 0.1
OUTSIDE MEDIA, POINT OF SALE & PUBLICITY	27559	4.0	3.0 TO 4.9	24801	3.8	2.9 TO 4.6
RACK EXPENSE	1688	0.2	0.2 TO 0.4	1339	0.2	0.2 TO 0.3
ALL OTHER	1250	0.2	0.2 TO 0.4	1107	0.2	0.2 TO 0.3
TOTAL PROMOTION AND PUBLICITY	32967	4.8	3.8 TO 5.5	29847	4.6	3.6 TO 5.2

TABLE C6 - EMPLOYEE DATA (ALL PRODUCTS)

AS REPORTED BY 5 MASS MARKET PAPERBACK PUBLISHERS
EMPLOYING 2,053 TOTAL STAFF IN 1986
(1986 GROSS SALES PER EMPLOYEE - $382,252)

	PERCENT OF TOTAL			
	1986		1985	
	%	RANGE	%	RANGE
EDITORIAL	11.2	8.4 TO 13.7	10.7	7.6 TO 13.6
PRODUCTION	4.2	3.0 TO 7.7	4.1	3.1 TO 7.6
ART	3.2	2.7 TO 4.3	3.0	2.5 TO 4.1
MARKETING	27.5	26.9 TO 47.3	27.5	27.1 TO 47.4
FULFILLMENT	37.5	25.7 TO 48.4	38.2	26.1 TO 47.0
GENERAL & ADMINISTRATIVE	16.5	6.8 TO 30.6	16.5	6.1 TO 31.1

TABLE C7 - GUARANTEES (ALL PRODUCTS)

THOUSANDS OF DOLLARS - AS REPORTED BY 4 PUBLISHERS

	1986		1985	
	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES
GROSS SALES	607397	100.0	573678	100.0
BOOK RIGHTS (TOTAL)	112007	18.4	122442	21.3
PUBLISHED	13031	2.1	17410	3.0
UNPUBLISHED	98976	16.3	105032	18.3
GUARANTEES COMMITTED	92460	15.2	72224	12.6
NUMBER OF TITLES GUARANTEED	2184		1769	
CASH ADVANCES PAID	68480	11.3	51689	9.0
NUMBER OF TITLES PUBLISHED (TOTAL)	2088		2048	
RACK-SIZED	1733		1762	
NON-RACK-SIZED	355		286	

SECTION D - BOOK CLUBS AND MAIL ORDER PUBLICATIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM D (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

BOOK CLUBS

Table D1 provides a sales summary and comparison between 1986 and 1985 based on data furnished by participating publishers.

62 book clubs reported 1986 net sales of $356.4 million to this Survey. Based on **Table S1**, estimated net sales for this segment of the industry were $698.4 million in 1986. Thus the reported sales represent some 51.0% of the total.

Table D2 shows Gross Sales by Category of Sales; **Table D3** gives a Geographical Distribution of Gross Sales, and **Table D3a** provides Domestic Membership Data for 1986.

TABLE D1 - SALES BY BOOK CLUBS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 62 CLUBS

	GROSS SALES					
	1986		1985		PERCENT CHANGE	
	$	UNITS	$	UNITS	$	UNITS
12 GENERAL INTEREST BOOK CLUBS	333329	27628	325954	28653	2.3	-3.6
50 SPECIAL INTEREST AND PROFESSIONAL CLUBS	124407	18828	120604	16904	3.2	11.4
TOTAL	457736	46456	446558	45557	2.5	2.0

	RETURNS					
	1986		1985		PERCENT CHANGE	
	$	UNITS	$	UNITS	$	UNITS
12 GENERAL INTEREST BOOK CLUBS	76693	5311	69192	5091	10.8	4.3
50 SPECIAL INTEREST AND PROFESSIONAL CLUBS	24635	2494	22551	2430	9.2	2.6
TOTAL	101328	7805	91743	7521	10.4	3.8

Continued on page D-2

TABLE D1 - SALES BY BOOK CLUBS

Continued from page D-1

	NET SALES					
	1986		1985		PERCENT CHANGE	
	$	UNITS	$	UNITS	$	UNITS
12 GENERAL INTEREST BOOK CLUBS	256636	22317	256762	23562	-0.0	-5.3
50 SPECIAL INTEREST AND PROFESSIONAL CLUBS	99772	16334	98053	14474	1.8	12.9
TOTAL	356408	38651	354815	38036	0.4	1.6

	1986 PERCENT RETURNS TO GROSS			
	DOLLARS		UNITS	
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE
12 GENERAL INTEREST BOOK CLUBS	23.0		19.2	
50 SPECIAL INTEREST AND PROFESSIONAL CLUBS	19.8	18.2 TO 30.6	13.2	11.4 TO 24.8
TOTAL	22.1	14.8 TO 29.9	16.8	13.4 TO 22.6

	1985 PERCENT RETURNS TO GROSS			
	DOLLARS		UNITS	
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE
12 GENERAL INTEREST BOOK CLUBS	21.2		17.8	
50 SPECIAL INTEREST AND PROFESSIONAL CLUBS	18.7	16.8 TO 30.1	14.4	13.8 TO 22.3
TOTAL	20.5	14.0 TO 27.3	16.5	13.0 TO 20.5

TABLE D2 - GROSS SALES BY BOOK CLUBS-BY CATEGORY OF SALE

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 33 CLUBS

	GROSS SALES		DOLLARS PER UNIT	
	$	UNITS	$-AVG	$-AVG RANGE
ALL SALES	444979	45387	9.80	4.01 TO 24.42
PRIME SELECTIONS	227144	25699	8.84	4.01 TO 41.72
OTHER SALES	214449	19342	11.09	10.00 TO 20.44
BONUSES	3386	347	9.76	9.64 TO 12.47

TABLE D3 - GEOGRAPHICAL DISTRIBUTION OF GROSS SALES BY BOOK CLUBS

THOUSANDS OF DOLLARS - AS REPORTED BY 62 CLUBS

	DOMESTIC		CANADA		OTHER FOREIGN	
	$	PCT OF SALES	$	PCT OF SALES	$	PCT OF SALES
12 GENERAL INTEREST CLBS	322769	95.3	15904	4.7	0	0.0
50 SPECIAL INTEREST AND PROFESSIONAL CLUBS	121608	97.8	2396	1.9	403	0.3
TOTAL	444377	96.0	18300	4.0	403	0.0

TABLE D3a - DOMESTIC MEMBERSHIP DATA

AS REPORTED BY 39 BOOK CLUBS

	(000)	PCT OF TOTAL
TOTAL MEMBERSHIP	5763	100.0
NEW MEMBERS (1986)	4647	80.6
MEMBERS TERMINATING (1986)	3250	56.4

Operating data for Book Club Publishers **(Tables D4 through D7)** have been suppressed this year because insufficient data were reported to this survey.

MAIL ORDER PUBLICATIONS

Table D8 provides basic sales information for this segment of the book publishing industry. 1986 net sales of $209.4 million were reported to this Survey, and the industry segment is estimated **(Table S1)** at $620.6 million. Thus some 33.7% is represented in this table.

Table D8a shows Net Educational, Trade, and Specialty Sales for three of these publishers of mail order publications.

TABLE D8 - CONSUMER MAIL ORDER SALES OF MAIL ORDER PUBLICATIONS

THOUSANDS OF DOLLARS - AS REPORTED BY 4 PUBLISHERS

	1986		1985		PCT CHG 86/85		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
GROSS SALES	255330	22977	240599	22205	6.1	3.5				
RETURNS	45920	4527	41711	4234	10.1	6.9				
NET SALES	209410	18450	198888	17971	5.3	2.7				
PERCENT RETURNS TO GROSS	18.0	19.7	17.3	19.1						

TABLE D8a - NET EDUCATIONAL, TRADE, AND SPECIALTY SALES OF MAIL ORDER PUBLICATIONS

BY 3 PUBLISHERS OF MAIL ORDER PUBLICATIONS

	$	PCT. OF TOTAL
DOMESTIC	3403	39.1
EDUCATIONAL	2869	34.0
TRADE	468	5.6
SPECIALTY	-42	-0.5
NOT DETAILED	108	
FOREIGN	5303	60.9
TOTAL	8706	100.0

Operating data for Mail Order Publications (**Tables D9 through D13**) have been suppressed this year because insufficient data were reported to this survey.

SECTION T - ESTIMATED ELHI AND COLLEGE INDUSTRY SALES

TABLE T1 - ESTIMATED INDUSTRY SALES OF TEXTBOOKS, EDUCATIONAL MATERIALS & STANDARDIZED TESTS

MILLIONS OF DOLLARS

	1972			1977			1982		
	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES
ELHI TEXTBOOKS (TOTAL)	498	100	49.0	756	152	47.2	1052	211	43.7
ELEMENTARY	318	100	31.3	480	151	30.0	667	209	27.7
HIGH SCHOOL	180	100	17.7	276	153	17.2	385	214	16.0
COLLEGE TEXTBOOKS	375	100	36.9	650	173	40.6	1142	304	47.3
AV AND OTHER MEDIA (TTL)	116	100	11.4	151	130	9.4	148	127	6.1
ELHI	101	100	9.9	131	130	8.2	130	129	5.4
COLLEGE	9	100	.9	12	133	.7	8	89	.3
OTHER	6	100	.6	8	133	.5	10	166	.4
STANDARDIZED TESTS	27	100	2.7	45	167	2.8	70	257	2.9
TOTAL	1016	100	100.0	1602	158	100.0	2412	237	100.0

	1984			1985			1986		
	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES
ELHI TEXTBOOKS (TOTAL)	1311	263	46.0	1481	297	47.8	1604	322	48.3
ELEMENTARY	811	255	28.4	926	291	29.9	997	314	30.0
HIGH SCHOOL	500	278	17.6	555	308	17.9	607	337	18.3
COLLEGE TEXTBOOKS	1279	341	44.9	1325	353	42.8	1410	376	42.4
AV AND OTHER MEDIA (TTL)	175	151	6.1	200	172	6.4	211	182	6.4
ELHI	152	150	5.3	174	172	5.6	177	175	5.3
COLLEGE	9	100	.3	10	108	.3	14	155	.4
OTHER	14	233	.5	16	271	.5	20	333	.6
STANDARDIZED TESTS	86	319	3.0	92	348	3.0	97	359	2.9
TOTAL	2851	281	100.0	3098	305	100.0	3322	327	100.0

With regard to the College Textbook estimate, the reader is referred to **Table G1** and the accompanying discussion.

TEXTBOOK SALES

The textbook-and-materials report is divided into three parts: this brief introductory section which provides industry sales estimates for both school and college publishing; followed by separate, detailed sales and operating data reports for school publishing (**Section F**, beginning on page F-3), and for college publishing (**Section G**, beginning on page G-1).

Total estimated industry textbook and materials sales are shown in **Table T1.** The estimates are based on reports from participating publishers and

(Text continued on page F-2)

TABLE T2 - ESTIMATED DOMESTIC INDUSTRY SALES OF TEXTBOOKS RELATED TO STUDENT ENROLLMENT

THOUSANDS OF STUDENTS AND DOLLARS

	ELEMENTARY					HIGH SCHOOL				
	ENROLLMENT			SALES ($)		ENROLLMENT			SALES ($)	
	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA
1972	31845	3800	35645	301813	8.47	13909	1300	15209	170320	11.20
1977	29431	3600	33031	458122	13.87	14300	1400	15700	263762	16.80
1982	27116	3573	31692	642994	20.29	13054	1400	14454	358776	24.82
1983	27143	3501	30644	719473	23.48	12501	1400	13901	377074	27.13
1984	27010	3580	30590	765054	25.01	12480	1400	13880	470895	33.93
1985 (REV)	26900	3600	30500	870784	28.55	12470	1400	13870	516988	37.27
1986	27234	3620	30854	949645	30.78	12400	1410	13810	576585	41.75

	ELHI					COLLEGE				
	ENROLLMENT			SALES ($)		ENROLLMENT		SALES ($)	PER CAPITA SALES ($)	
	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA	FTE	TOTAL		FTE	TOTAL
1972	45754	5100	50854	472133	9.28	7255	9215	337003	46.45	36.57
1977	43731	5000	48731	721884	14.81	8397	11268	578433	68.88	51.33
1982	40170	4963	45133	1001771	22.20	9112	12367	1031267	113.18	83.39
1983	39643	4901	44544	1096547	24.62	9032	12426	1122564	124.29	90.34
1984	39490	4980	44470	1235949	27.79	8842	12351	1163814	131.62	94.23
1985 (REV)	39370	5000	44370	1387772	31.28	8672	12247	1205711	139.03	98.45
1986	39634	5030	44664	1526230	34.17	8648	12398	1291340	149.32	104.16

With regard to the College Textbook estimate, the reader is referred to **Table G1** and the accompanying discussion.

(Text continued from page F-1)

on projections of the Census of Manufactures conducted by the U.S. Department of Commerce (See **Table S1**).

Table T2 relates domestic textbook sales (i.e. in the fifty states and the District of Columbia) to enrollment data compiled for these areas by the National Center for Education Statistics. The enrollment figures for public elementary (K-8) and secondary (9-12) schools are actual for the most part, while those for private schools are largely estimated. The college figures are actual. All sales are estimated.

College enrollment data and per capita sales are shown both for full-time equivalent (FTE) students, as well as for **all** students enrolled in the fifty United States and the District of Columbia. Total college enrollments include resident and extension students in vocational and technical programs, and students in U.S. Service Schools. In the FTE data, part-time enrollments have been converted to full-time equivalency.

For state-by-state enrollment and sales data consult **Tables F5b and F6** for Elhi, and **Tables G7a and G7b** for College. Also see the text with those tables for details regarding the enrollment figures used and the assumptions employed in the development of estimated per capita sales.

SECTION F - SCHOOL (ELHI) PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM F (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

Throughout this Report "Elementary" refers to Grades K through 8, and "High School" refers to Grades 9 through 12.

SALES DATA

Estimated industry sales of textbooks and materials, both Elhi and College, will be found in **Tables T1 and T3** on pages F-1 and F-2. All other Elhi reports are in this section. College statistics are in Section G beginning on page G-1.

Except for the information presented in **Tables T1 and T3**, and the estimated portions of **Tables F5b and F6, all data included in the tables are based on publishers actual reports and are not projected to industry totals.**

18 Elhi school textbook and materials publishers reported total 1986 sales of $965.3 million to this Survey. Of these sales, $661.5 million were in elementary and $303.8 million were in high school textbooks and materials. As the Elhi publishing industry enjoys total estimated book sales of $1604.0 million and audiovisual and related materials sales of $177.4 million for a combined estimated sales total of $1781.4 million (figures from **Table S1**), the reporting group **(Tables F1 and F2)** appears to represent some 54.2% of this industry segment.

TABLE F1 - SALES OF ELEMENTARY TEXTBOOKS AND MATERIALS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 17 PUBLISHERS

	1986		1985		PERCENT CHANGE		1986 DOLLARS PER UNIT		YOUR DATA
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS	$-AVG.	AVG DOLLAR RNGE	
BOOKS (TOTAL)	626840	102523	578604	100342	8.3	2.2	6.11	2.47 TO 8.54	
TEXTBOOKS-HARDBOUND	194951	21548	177047	19575	10.1	10.1	9.05	7.16 TO 11.90	
TEXTBOOKS-PAPERBOUND	63040	12560	57709	13286	9.2	-5.5	5.02	3.42 TO 29.50	
TEACHERS EDITIONS	10885	1311	9650	2233	12.8	-41.3	8.30	3.40 TO 14.27	
WORKBOOKS	108171	28881	98823	28527	9.5	1.2	3.75	2.76 TO 4.39	
OBJECTIVE TESTS	13768	1267	12006	1374	14.7	-7.8	10.87	2.18 TO 24.11	
DUPLICATING MASTERS	13128	1885	10665	643	23.1	193.2	6.96	4.29 TO 43.14	
TEACHING AIDS	14111	2317	14739	3101	-4.3	-25.3	6.09	2.44 TO 63.80	
NOT DETAILED	208786	32754	197965	31603					
AUDIOVISUAL & OTHER MEDIA	17534	633	18990	573	-7.7	10.5	27.70	8.18 TO 83.27	
MULTIMEDIA KITS	17169	1365	14685	935	16.9	46.0	12.58	7.08 TO 262.60	
TOTAL BOOKS & MATERIALS	661543	104521	612279	101850	8.0	2.6	6.33	2.47 TO 8.54	

TABLE F2 - SALES OF HIGH SCHOOL TEXTBOOKS AND MATERIALS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 16 PUBLISHERS

	1986		1985		PERCENT CHANGE		1986 DOLLARS PER UNIT		YOUR DATA
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS	$-AVG.	AVG DOLLAR RNGE	
BOOKS (TOTAL)	293657	32015	255233	29985	15.1	6.8	9.17	2.69 TO 15.41	
TEXTBOOKS-HARDBOUND	179865	12792	147502	11671	21.9	9.6	14.06	9.06 TO 16.60	
TEXTBOOKS-PAPERBOUND	11529	2730	11916	2616	-3.2	4.4	4.22	2.69 TO 10.35	
TEACHERS EDITIONS	2606	297	2163	349	20.5	-14.9	8.77	3.14 TO 15.06	
WORKBOOKS	39750	8222	37573	8300	5.8	-0.9	4.83	2.75 TO 5.73	
OBJECTIVE TESTS	2043	835	1226	846	66.6	-1.3	2.45	0.79 TO 27.00	
DUPLICATING MASTERS	2617	188	2134	91	22.6	106.6	13.92	9.56 TO 58.00	
TEACHING AIDS	982	111	614	226	59.9	-50.9	8.85	0.33 TO 64.00	
NOT ALLOCATED	54265	6839	52105	5886					
AUDIOVISUAL AND OTHER MEDIA	8986	173	8417	216	6.8	-19.9	51.94	24.00 TO 154.67	
MULTIMEDIA KITS	1117	11	1654	19	-32.5	-42.1	101.55	3.00 TO 165.33	
TOTAL BOOKS & MATERIALS	303760	32198	265305	30221	14.5	6.5	9.43	2.69 TO 15.41	

TABLE F3 - SALES OF ELEMENTARY TEXTBOOKS AND MATERIALS-BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS

	1986		1985			
	ALL SALES		ALL SALES		YOUR DATA	
	TOTAL	PCT OF TOTAL	TOTAL	PCT OF TOTAL		
LANGUAGE ARTS						
READING	271436	43.6	205666	36.2		
LITERATURE	4205	0.7	4928	0.9		
ENGLISH	55378	8.9	55598	9.8		
SPELLING	44165	7.1	40967	7.2		
HANDWRITING	3283	0.5	1855	0.3		
UNSPECIFIED	105852		76625			
TOTAL LANGUAGE ARTS	484319	60.8	385640	54.4		
SCIENCE	66493	8.3	78351	11.0		
HEALTH	4880	0.6	8328	1.2		
SOCIAL STUDIES (TOTAL)	55815	7.0	57219	8.1		
BASAL PROGRAMS K-6 K-6 OR K-8	33979	5.4	35697	6.2		
OTHER	10252	1.6	10862	1.9		
UNSPECIFIED	11584		10660			
MATHEMATICS	132014	16.6	135163	19.1		
MUSIC	15015	1.9	17529	2.5		
ART	20	0.0	12	0.0		
FOREIGN LANGUAGES	1288	0.2	70	0.0		
DICTIONARIES	11056	1.4	9684	1.4		
OTHER	26018	3.3	17436	2.5		
TOTAL	796918	100.0	709431	100.0		

TABLE F4 - SALES OF HIGH SCHOOL TEXTBOOKS AND MATERIALS-BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS

	1986		1985			
	ALL SALES		ALL SALES		YOUR DATA	
	TOTAL	PCT OF TOTAL	TOTAL	PCT OF TOTAL		
LITERATURE	36552	13.1	27117	11.6		
ENGLISH	44802	16.0	25243	10.8		
SCIENCE (TOTAL)	31303	11.2	33394	14.3		
BIOLOGY	3723	1.6	5450	2.8		
LIFE SCIENCE	3243	1.4	923	0.5		
EARTH SCIENCE	2214	0.9	1392	0.7		
PHYSICAL SCIENCE	973	0.4	589	0.3		
ALL OTHER	16691	7.0	19061	9.9		
SCI. EQUIPMENT/KITS	3	0.0	7	0.0		
UNSPECIFIED	4456		5972			
SOCIAL STUDIES (TOTAL)	37650	13.5	31964	13.7		
AMERICAN HISTORY	2764	2.1	2771	2.4		
WORLD HISTORY	2436	1.9	2528	2.2		
GEOGRAPHY	197	0.2	297	0.3		
OTHER	12141	9.3	10154	8.8		
UNSPECIFIED	20113		16214			
MATHEMATICS (TOTAL)	48653	17.4	36440	15.6		
ALGEBRA	15954	6.5	12772	6.2		
GEOMETRY	4913	2.0	5265	2.6		
ADVANCED MATH	2530	1.0	2450	1.2		
ALL OTHER	19523	7.9	11582	5.6		
UNSPECIFIED	5733		4371			
MUSIC	19	0.0	3	0.0		
ART	0	0.0	0	0.0		
FOREIGN LANGUAGES (TOT)	35330	12.7	38521	16.5		
SPANISH	14427	7.4	13949	9.8		
FRENCH	8084	4[illegible]	7476	5.3		
OTHER	2234	1.[illegible]	1980	1.4		
UNSPECIFIED	10585		15116			
VOCATIONAL (TOTAL)	34274	12.3	32694	14.0		
BUSINESS EDUC. (TOT)	21099	7.6	22802	9.7		
TYPEWRITING	5247	1.9	5255	2.2		
SHORTHAND	3682	1.3	3703	1.6		
ACCOUNTING	3357	1.2	3181	1.4		
ALL OTHER	8813	3.2	10663	4.6		
INDUSTRIAL ARTS	6024	2.2	5817	2.5		
HOME ECONOMICS	6992	2.5	3937	1.7		
OTHER	159	0.1	138	0.1		
DRIVER EDUCATION	1606	0.6	1368	0.6		
HEALTH	2370	0.8	1634	0.7		
DICTIONARIES	1127	0.4	1231	0.5		
OTHER	5569	2.0	4549	1.9		
TOTAL	279255	100.0	234157	100.0		

TABLE F5a - SALES OF ELHI TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

ACTUAL SALES - AS REPORTED BY 16 PUBLISHERS

	ACTUAL SALES OF TEXTBOOKS AND MATERIALS								
	ELHI			ELEMENTARY			HIGH SCHOOL		
	1986	1985	PCT-CHG	1986	1985	PCT-CHG	1986	1985	PCT-CHG
ALABAMA	9992	10642	-6.1	3952	4392	-10.0	3898	3278	18.9
ALASKA	2311	2695	-14.2	1425	1512	-5.8	535	695	-23.0
ARIZONA	15666	11905	31.6	8260	5207	58.6	3782	3501	8.0
ARKANSAS	8247	7710	7.0	3969	3745	6.0	2578	2678	-3.7
CALIFORNIA	96129	75752	26.9	37617	33369	12.7	27476	22806	20.5
COLORADO	10483	10400	0.8	5789	5300	9.2	2768	2860	-3.2
CONNECTICUT	9800	9795	0.1	4458	4303	3.6	3053	2963	3.0
DELAWARE	2617	1754	49.2	1305	658	98.3	673	541	24.4
DIST OF COLUMBIA	2117	1695	24.9	872	732	19.1	784	710	10.4
FLORIDA	28571	25517	12.0	9732	10571	-7.9	10940	7987	37.0
GEORGIA	22026	19575	12.5	13451	9089	48.0	4846	5201	-6.8
HAWAII	2950	2680	10.1	1340	1128	18.8	852	831	2.5
IDAHO	3830	3026	26.6	1606	1615	-0.6	872	1024	-14.8
ILLINOIS	49740	42383	17.4	24885	18668	33.3	11463	11723	-2.2
INDIANA	16575	18934	-12.5	8321	8522	-2.4	6132	5066	21.0
IOWA	9674	9279	4.3	4838	4507	7.3	2438	2504	-2.6
KANSAS	11155	9378	18.9	6680	5213	28.1	2497	2381	4.9
KENTUCKY	15274	9693	57.6	10174	3471	193.1	3065	3190	-3.9
LOUISIANA	17446	13243	31.7	9661	6931	39.4	5303	4060	30.6
MAINE	4019	3676	9.3	1673	1530	9.3	1252	1095	14.3
MARYLAND	12457	10954	13.7	5239	4572	14.6	4097	3708	10.5
MASSACHUSETTS	19052	15941	19.5	7944	6804	16.8	5567	4830	15.3
MICHIGAN	39205	32488	20.7	19524	14921	30.8	10503	8940	17.5
MINNESOTA	16257	14354	13.3	8521	7379	15.5	3925	3588	9.4
MISSISSIPPI	5633	8235	-31.6	2657	3821	-30.5	1305	1912	-31.7
MISSOURI	21982	20607	6.7	12892	11311	14.0	5482	6004	-8.7
MONTANA	3704	3697	0.2	2077	1892	9.8	913	1002	-8.9
NEBRASKA	5707	5038	13.3	2812	2426	15.9	1554	1421	9.4
NEVADA	2863	2947	-2.9	1450	1381	5.0	855	1045	-18.2
NEW HAMPSHIRE	3125	2516	24.2	1260	1034	21.9	935	868	7.7
NEW JERSEY	32582	29534	10.3	15798	13805	14.4	8062	7878	2.3
NEW MEXICO	5579	6251	-10.8	2512	3704	-32.2	1691	1226	37.9
NEW YORK	54462	48622	12.0	24544	22938	7.0	15570	13532	15.1
NORTH CAROLINA	21805	24412	-10.7	14981	13050	14.8	3427	6503	-47.3
NORTH DAKOTA	2624	2900	-9.5	1430	1634	-12.5	733	735	-0.3
OHIO	37534	39174	-4.2	16744	16162	3.6	9569	10180	-6.0
OKLAHOMA	13244	10011	32.3	8274	4261	94.2	3296	3394	-2.9
OREGON	9181	11319	-18.9	3789	4670	-18.9	2715	3903	-30.4
PENNSYLVANIA	37435	34736	7.8	17759	16005	11.0	9896	9533	3.8
RHODE ISLAND	2714	2282	18.9	1332	1183	12.6	771	629	22.6
SOUTH CAROLINA	11296	12055	-6.3	5059	7553	-33.0	3980	3175	25.4
SOUTH DAKOTA	3491	3244	7.6	1944	1825	6.5	688	729	-5.6
TENNESSEE	17743	14017	26.6	5617	5595	0.4	5129	4654	10.2
TEXAS	63969	51685	23.8	28846	20691	39.4	22629	13090	72.9
UTAH	4692	5783	-18.9	2194	2750	-20.2	1373	1617	-15.1
VERMONT	1537	1481	3.8	678	698	-2.9	516	466	10.7
VIRGINIA	16070	21653	-25.8	5617	7291	-23.0	4943	6647	-25.6
WASHINGTON	12209	9561	27.7	6119	4978	22.9	2966	2635	12.6

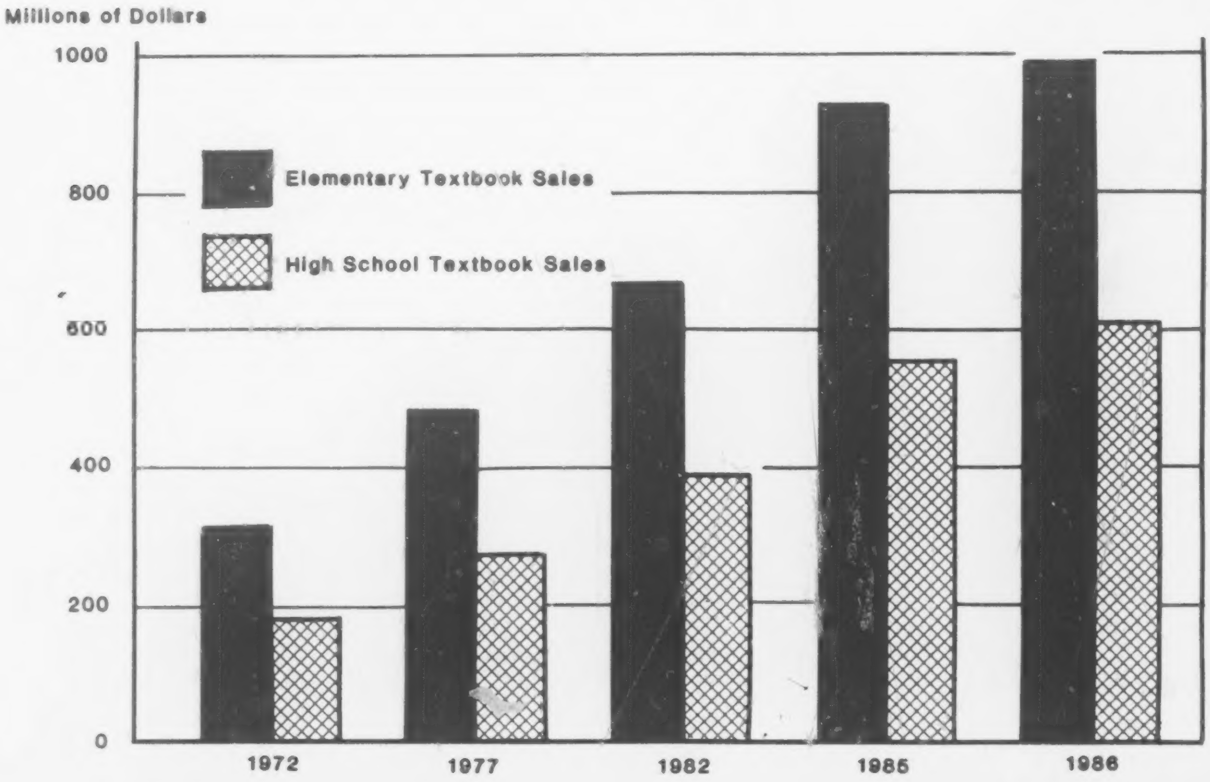
Continued on page F-7

TABLE F5a - SALES OF ELHI TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

Continued from page F-6

	ACTUAL SALES OF TEXTBOOKS AND MATERIALS								
	ELHI			ELEMENTARY			HIGH SCHOOL		
	1986	1985	PCT-CHG	1986	1985	PCT-CHG	1986	1985	PCT-CHG
WEST VIRGINIA	7231	7673	-5.8	3269	3247	0.7	2540	1883	34.9
WISCONSIN	17323	16526	4.8	8367	7669	9.1	4640	4394	5.6
WYOMING	2866	2661	7.7	1879	1486	26.4	571	670	-14.8
TOTAL DOMESTIC U.S.	844196	762089	10.8	401137	347199	15.5	236047	215884	9.3
P.R. & OTHER U.S. POSS.	9280	12005	-22.7	2683	3349	-19.9	2022	3563	-43.3
CANADA	3735	4901	-23.8	1242	1920	-35.3	1743	1901	-8.3
EUROPE	2913	3447	-15.5	1622	1405	15.4	706	1258	-43.9
OTHER FOREIGN	13818	13551	2.0	9493	8366	13.5	1866	3001	-37.8
TOTAL FOREIGN	20466	21899	-6.5	12357	11691	5.7	4315	6160	-30.0
ALL SALES	873942	795993	9.8	416177	362239	14.9	242384	225607	7.4

FIGURE F1 - ESTIMATED ELHI TEXTBOOK NET SALES 1972, 1977, 1982, 1985-86



Data from Table T1

TABLE F5b - ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS-BY GEOGRAPHICAL LOCATION

ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY) - THOUSANDS OF DOLLARS

	ELEMENTARY		HIGH SCHOOL		ELHI				
	1986	1985	1986	1985	1986		1985		1966-68 AVERAGE (BASE)
					$	INDEX	$	INDEX	
ALABAMA	5862	6513	10397	8744	16259	342	15257	321	4751
ALASKA	2828	3002	1209	1570	4037	681	4572	771	593
ARIZONA	18509	14249	9829	9101	28338	771	23350	635	3675
ARKANSAS	8647	8158	3983	4136	12630	397	12294	386	3182
CALIFORNIA	95612	84838	59591	49453	155203	647	134291	560	23989
COLORADO	14247	13047	7416	7661	21663	516	20708	494	4196
CONNECTICUT	13791	13312	7709	7484	21500	325	20796	315	6610
DELAWARE	2600	1733	1980	1592	4580	386	3325	280	1187
DISTRICT OF COLUMBIA	4864	4084	2374	2150	7238	370	6234	319	1956
FLORIDA	31390	34083	27074	19762	58464	539	53845	497	10837
GEORGIA	21722	17920	13225	14190	34947	415	32110	381	8428
HAWAII	4725	3977	2272	2217	6997	439	6194	388	1595
IDAHO	3209	3228	1152	1352	4361	261	4580	274	1672
ILLINOIS	50222	46002	33739	34498	83961	300	80500	287	28033
INDIANA	15457	15837	12354	10210	27811	255	26047	239	10919
IOWA	12106	11282	5612	5762	17718	228	17044	219	7769
KANSAS	14501	11320	5571	5311	20072	372	16631	308	5393
KENTUCKY	31022	15974	4978	5180	36000	543	21154	319	6631
LOUISIANA	14083	12335	11754	9000	25837	288	21335	238	8971
MAINE	4855	4442	2678	2343	7533	322	6785	290	2342
MARYLAND	13336	11637	10735	9715	24071	326	21352	289	7386
MASSACHUSETTS	21900	18750	12801	11102	34701	296	29852	254	11738
MICHIGAN	36459	34034	27148	23105	63607	312	57139	280	20373
MINNESOTA	21383	18513	9354	8550	30737	322	27063	284	9535
MISSISSIPPI	8543	9944	3416	4057	11959	236	14001	276	5072
MISSOURI	24714	21679	11365	12448	36079	316	34127	299	11427
MONTANA	4253	3873	2162	2373	6415	350	6246	341	1833
NEBRASKA	6981	6023	3721	3401	10702	301	9424	265	3558
NEVADA	4135	3938	1987	2429	6122	576	6367	599	1063
NEW HAMPSHIRE	3419	2805	2788	2589	6207	393	5394	341	1580
NEW JERSEY	41781	36522	18487	18071	60268	400	54593	362	15083
NEW MEXICO	8058	11885	3933	2852	11991	431	14737	529	2785
NEW YORK	68670	64178	44048	38269	112718	269	102447	245	41866
NORTH CAROLINA	34502	30054	9005	11635	43507	444	41689	426	9795
NORTH DAKOTA	3323	3798	1746	1751	5069	294	5549	321	1726
OHIO	41489	40047	19639	20893	61128	312	60940	311	19597
OKLAHOMA	11774	9150	8504	8758	20278	378	17908	333	5370
OREGON	9353	11533	5731	6758	15084	405	18291	491	3726
PENNSYLVANIA	44216	39834	23558	22696	67774	288	62530	265	23556
RHODE ISLAND	3891	3456	2488	2029	6379	319	5485	274	2001
SOUTH CAROLINA	12225	18247	5827	4647	18052	263	22894	334	6856
SOUTH DAKOTA	4582	4302	2055	2177	6637	378	6479	369	1756
TENNESSEE	9884	9845	15179	14046	25063	341	23891	325	7356
TEXAS	68530	60025	64102	39793	132632	552	99818	416	24011
UTAH	5404	6772	2616	3081	8020	315	9853	388	2542
VERMONT	1719	1770	1129	1020	2848	276	2790	270	1033
VIRGINIA	16194	17015	12207	13999	28401	304	31014	332	9354
WASHINGTON	14901	14804	6397	5681	21298	350	20485	337	6078

Continued on page F-9

TABLE F5b - ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS-BY GEOGRAPHICAL LOCATION

Continued from page F-8

	ELEMENTARY		HIGH SCHOOL		ELHI				
	1986	1985	1986	1985	1986		1985		1966-68 AVERAGE (BASE)
					$	INDEX	$	INDEX	
WEST VIRGINIA	6948	6900	7339	5440	14287	381	12340	329	3753
WISCONSIN	23052	21129	10744	10174	33796	331	31303	307	10202
WYOMING	3774	2986	1477	1733	5251	672	4719	604	781
TOTAL DOMESTIC U.S.	949645	870784	576585	516988	1526230	367	1387772	334	415521
P.R. & OTHER U.S. POSS.	5079	6341	2209	3896	7288	337	10237	474	2161
CANADA	18185	28107	22891	24963	41076	458	53070	592	8965
EUROPE	7784	6745	2808	5005	10592	693	11750	769	1528
ALL OTHER	15991	14089	2611	4198	18602	259	18287	254	7192
TOTAL FOREIGN	41960	48941	28310	34166	70270	397	83107	470	17685
TOTAL OUTSIDE U.S.	47039	55282	30519	38062	77558	391	93344	470	19846
ALL SALES	996684	926066	607104	555050	1603788	368	1481116	340	435367

TABLE F6 - GEOGRAPHICAL ANALYSIS OF ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS

THOUSANDS OF STUDENTS AND DOLLARS

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN PER CAPITA SALES	
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
ALABAMA	16259	15257	1.07	1.10	798	794	20.37	19.22	50	51
ALASKA	4037	4572	.26	.33	109	107	37.04	42.73	20	6
ARIZONA	28338	23350	1.86	1.68	599	612	47.31	38.15	5	11
ARKANSAS	12630	12294	.83	.89	449	445	28.13	27.63	42	42
CALIFORNIA	155203	134291	10.17	9.68	4910	4788	31.61	28.05	36	41
COLORADO	21663	20708	1.42	1.49	592	585	36.59	35.40	21	18
CONNECTICUT	21500	20796	1.41	1.50	561	555	38.32	37.47	18	13
DELAWARE	4580	3325	.30	.24	117	116	39.15	28.66	15	38
DISTRICT OF COLUMBIA	7238	6234	.47	.45	107	108	67.64	57.72	1	1
FLORIDA	58464	53845	3.83	3.88	1823	1780	32.07	30.25	34	29
GEORGIA	34947	32110	2.29	2.31	1151	1135	30.36	28.29	38	39
HAWAII	6997	6194	.46	.45	204	203	34.30	30.51	27	27
IDAHO	4361	4580	.29	.33	213	214	20.47	21.40	49	50
ILLINOIS	83961	80500	5.50	5.80	2134	2139	39.34	37.63	14	12
INDIANA	27811	26047	1.82	1.88	1067	1066	26.06	24.43	47	47
IOWA	17718	17044	1.16	1.23	533	537	33.24	31.74	31	24
KANSAS	20072	16631	1.32	1.20	450	444	44.60	37.46	7	14
KENTUCKY	36000	21154	2.36	1.52	714	715	50.42	29.59	2	35
LOUISIANA	25837	21335	1.69	1.54	944	940	27.37	22.70	44	49
MAINE	7533	6785	.49	.49	228	222	33.04	30.56	32	26

Continued on page F-10

TABLE F6 - GEOGRAPHICAL ANALYSIS OF ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS

Continued from page F-9

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN PER CAPITA SALES	
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
MARYLAND	24071	21352	1.58	1.54	782	778	30.78	27.44	37	43
MASSACHUSETTS	34701	29852	2.27	2.15	991	1002	35.02	29.79	25	33
MICHIGAN	63607	57139	4.17	4.12	1898	1907	33.51	29.96	29	32
MINNESOTA	30737	27063	2.01	1.95	769	764	39.97	35.42	9	17
MISSISSIPPI	11959	14001	.78	1.01	541	513	22.11	27.29	48	44
MISSOURI	36079	34127	2.36	2.46	934	928	38.63	36.77	17	15
MONTANA	6415	6246	.42	.45	161	162	39.84	38.56	10	10
NEBRASKA	10702	9424	.70	.68	306	305	34.97	30.90	26	25
NEVADA	6122	6367	.40	.46	168	162	36.44	39.30	22	8
NEW HAMPSHIRE	6207	5394	.41	.39	186	183	33.37	29.48	30	37
NEW JERSEY	60268	54593	3.95	3.93	1330	1339	45.31	40.77	6	7
NEW MEXICO	11991	14737	.79	1.06	286	282	41.93	52.26	8	2
NEW YORK	112718	102447	7.39	7.38	3159	3175	35.68	32.27	24	23
NORTH CAROLINA	43507	41689	2.85	3.00	1136	1138	38.30	36.63	19	16
NORTH DAKOTA	5069	5549	.33	.40	128	128	39.60	43.35	12	5
OHIO	61128	60940	4.01	4.39	2064	2064	29.62	29.53	39	36
OKLAHOMA	20278	17908	1.33	1.29	597	596	33.97	30.05	28	31
OREGON	15084	18291	.99	1.32	474	474	31.82	38.59	35	9
PENNSYLVANIA	67774	62530	4.44	4.51	2070	2079	32.74	30.08	33	30
RHODE ISLAND	6379	5485	.42	.40	165	164	38.66	33.45	16	21
SOUTH CAROLINA	18052	22894	1.18	1.65	658	653	27.43	35.06	43	19
SOUTH DAKOTA	6637	6479	.43	.47	136	136	48.80	47.64	4	3
TENNESSEE	25063	23891	1.64	1.72	890	886	28.16	26.97	41	45
TEXAS	132632	99818	8.69	7.19	3345	3285	39.65	30.39	11	28
UTAH	8020	9853	.53	.71	420	407	19.10	24.21	51	48
VERMONT	2848	2790	.19	.20	101	99	28.20	28.18	40	40
VIRGINIA	28401	31014	1.86	2.23	1051	1043	27.02	29.74	45	34
WASHINGTON	21298	20485	1.40	1.48	814	803	26.16	25.51	46	46
WEST VIRGINIA	14287	12340	.94	.89	362	369	39.47	33.44	13	22
WISCONSIN	33796	31303	2.21	2.26	934	934	36.18	33.51	23	20
WYOMING	5251	4719	.34	.34	105	107	50.01	44.10	3	4
TOTAL DOMESTIC U.S.	1526230	1387772	100.00	100.00	44664	44370	34.17	31.28		

OPERATING DATA

Data are shown by size of publisher (**Tables F7 through F14**). **Table F7** is a summary table offering a composite income statement of the reporting publishers. The remaining tables detail specific expense areas.

While encouraged to furnish sales data on a calendar year basis, publishers were given the option of supplying operating information on a fiscal year basis. This year only one publisher (with a May year-end) furnished data on other than a calendar year.

In addition to the operating data shown in **Table F7**, the publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year-end. 12 publishers responded, reporting Total Advances of $7.2 million. As these publishers enjoy net sales of $696.0 million, the advances represent 1.0% of net sales.

8 Publishers, with net sales of $636.3 million, reported a Total Reserve For Returns on their balance sheets at year-end of $10.5 million, representing 1.7% of their net sales. This contrasted with a beginning of reporting year reserve of $9.2 million.

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS

	ALL PUBLISHERS							
	1986			1985			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	979356	104.9	102.7 TO 105.8	875434	105.0	102.9 TO 106.2		
RETURNS & ALLOWANCES	45562	4.9	2.7 TO 5.8	41374	5.0	2.9 TO 6.2		
NET SALES	933794	100.0	100.0 TO 100.0	834060	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	207826	22.6	20.2 TO 25.2	171927	20.9	19.0 TO 25.0		
ROYALTIES	46264	5.1	4.2 TO 6.4	42676	5.2	4.4 TO 6.7		
PLANT COSTS	62647	6.8	4.4 TO 10.6	54152	6.6	5.1 TO 9.0		
UNSPECIFIED	4077			3496				
TOTAL COST OF SALES	320814	34.4	32.3 TO 37.4	272252	32.6	31.1 TO 35.9		
GROSS MARGIN ON SALES	612980	65.6	62.6 TO 67.7	561808	67.4	64.1 TO 68.9		
OTHER INCOME (TOTAL)	5789	0.6	0.1 TO 1.7	5894	0.7	0.1 TO 0.6		
GENERAL	4522	0.5	0.1 TO 1.0	4259	0.5	0.1 TO 0.6		
FROM FOREIGN SUBSIDS.	1112	0.1		1524	0.2			
UNSPECIFIED	155			111				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	65254	7.1	4.1 TO 8.6	55203	6.7	4.6 TO 8.3		
PRODUCTION	18443	2.0	0.9 TO 2.8	17222	2.1	1.3 TO 2.7		
MARKETING	232373	25.1	21.8 TO 33.0	212599	25.7	22.4 TO 36.8		
FULFILLMENT	63473	6.9	6.3 TO 9.0	57072	6.9	5.9 TO 8.8		
GENERAL & ADMIN.	74936	8.1	7.2 TO 12.1	61368	7.5	6.3 TO 10.5		
UNSPECIFIED	3929			3308				
TOTAL PUBL. & OPERATING EXPENSE	458408	49.1	45.3 TO 65.6	406772	48.8	44.0 TO 68.1		
INCOME FROM OPERATIONS*	160361	17.2	7.3 TO 21.6	160930	19.3	10.6 TO 26.2		

Continued on page F-12

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-11

	7 PUBLISHERS WITH 1986 NET SALES BELOW $30 MILLION							
	1986			1985			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	109509	102.9	101.1 TO 103.5	102461	103.9	101.5 TO 103.5		
RETURNS & ALLOWANCES	3055	2.9	1.1 TO 3.5	3823	3.9	1.5 TO 3.5		
NET SALES	106454	100.0	100.0 TO 100.0	98638	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	21878	22.5	19.5 TO 25.8	21532	23.9	19.7 TO 27.9		
ROYALTIES	5159	5.2	3.9 TO 6.5	4388	4.8	3.8 TO 6.1		
PLANT COSTS	16680	17.2	3.7 TO 31.1	10450	11.6	4.1 TO 16.4		
UNSPECIFIED	4077			3496				
TOTAL COST OF SALES	47794	44.9	28.4 TO 59.1	39866	40.4	31.6 TO 42.0		
GROSS MARGIN ON SALES	58660	55.1	40.9 TO 71.6	58772	59.6	58.0 TO 68.4		
OTHER INCOME (TOTAL)	3223	3.0	0.1 TO 7.1	1983	2.0	-0.1 TO 4.3		
GENERAL	3223	3.0	0.1 TO 7.1	1983	2.0	-0.1 TO 4.3		
FROM FOREIGN SUBSIDS.	0	0.0		0	0.0			
UNSPECIFIED	0			0				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	8044	8.1	4.8 TO 12.6	8045	8.7	5.3 TO 13.6		
PRODUCTION	2152	2.1	0.8 TO 4.8	1733	1.9	1.9 TO 4.1		
MARKETING	32544	32.5	27.4 TO 41.6	30603	32.7	28.8 TO 40.6		
FULFILLMENT	8268	8.3	5.9 TO 12.7	7401	7.9	5.8 TO 12.2		
GENERAL & ADMIN.	11686	11.7	9.0 TO 13.8	9026	9.7	6.8 TO 12.0		
UNSPECIFIED	3929			3308				
TOTAL PUBL. & OPERATING EXPENSE	66623	62.6	45.5 TO 70.2	60116	60.9	39.9 TO 73.0		
INCOME FROM OPERATIONS*	-4740	-4.4	-23.2 TO 21.0	639	0.6	-23.7 TO 31.9		

Continued on page F-13

* Please see corresponding note on page F-11.

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-12

	4 PUBLISHERS WITH 1986 NET SALES $30 TO $80 MILLION							
	1986			1985			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	256524	109.7	103.6 TO 117.5	237311	109.0	103.7 TO 115.8		
RETURNS & ALLOWANCES	22632	9.7	3.6 TO 17.5	19609	9.0	3.7 TO 15.8		
NET SALES	233892	100.0	100.0 TO 100.0	217702	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	58487	25.1	20.2 TO 29.8	41734	19.2	10.1 TO 25.3		
ROYALTIES	15013	6.4	5.4 TO 7.6	14121	6.5	5.4 TO 7.5		
PLANT COSTS	9021	3.9	2.7 TO 6.5	13902	6.4	3.3 TO 8.5		
UNSPECIFIED	0			0				
TOTAL COST OF SALES	82521	35.3	32.8 TO 37.3	69757	32.0	25.8 TO 35.6		
GROSS MARGIN ON SALES	151371	64.7	62.7 TO 67.2	147945	68.0	64.4 TO 74.2		
OTHER INCOME (TOTAL)	2074	0.9	0.1 TO 2.1	3020	1.4	0.1 TO 4.0		
GENERAL	807	0.3		1385	0.6			
FROM FOREIGN SUBSIDS.	1112	0.6		1524	0.8			
UNSPECIFIED	155			111				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	10027	4.3	3.2 TO 5.6	9372	4.3	3.8 TO 5.1		
PRODUCTION	3611	1.5	0.8 TO 2.1	3332	1.5	0.8 TO 2.3		
MARKETING	57513	24.6	21.8 TO 27.6	61748	28.4	23.1 TO 36.5		
FULFILLMENT	16360	7.0	4.7 TO 8.5	15335	7.0	4.6 TO 9.2		
GENERAL & ADMIN.	25231	10.8	8.6 TO 13.2	20750	9.5	7.7 TO 11.6		
UNSPECIFIED	0			0				
TOTAL PUBL. & OPERATING EXPENSE	112742	48.2	43.9 TO 52.5	110537	50.8	43.1 TO 63.0		
INCOME FROM OPERATIONS*	40703	17.4	11.2 TO 23.5	40428	18.6	14.6 TO 23.0		

Continued on page F-14

* Please see corresponding note on page F-11.

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-13

	4 PUBLISHERS WITH 1986 NET SALES ABOVE $80 MILLION						YOUR DATA	
	1986			1985				
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	613323	103.3	102.8 TO 104.1	535662	103.5	102.9 TO 104.4		
RETURNS & ALLOWANCES	19875	3.3	2.8 TO 4.1	17942	3.5	2.9 TO 4.4		
NET SALES	593448	100.0	100.0 TO 100.0	517720	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	127461	21.5	20.0 TO 22.4	108661	21.0	19.7 TO 21.7		
ROYALTIES	26092	4.4	4.2 TO 5.1	24167	4.7	4.4 TO 5.6		
PLANT COSTS	36946	6.2	4.8 TO 7.8	29800	5.8	5.0 TO 7.2		
UNSPECIFIED	0			0				
TOTAL COST OF SALES	190499	32.1	29.2 TO 34.5	162629	31.4	29.3 TO 34.5		
GROSS MARGIN ON SALES	402949	67.9	65.5 TO 70.8	355091	68.6	65.5 TO 70.7		
OTHER INCOME (TOTAL)	492	0.1	0.0 TO 0.2	891	0.2	0.1 TO 0.2		
GENERAL	492	0.1	0.0 TO 0.2	891	0.2	0.1 TO 0.2		
FROM FOREIGN SUBSIDS.	0	0.0		0	0.0			
UNSPECIFIED	0			0				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	47183	8.0	6.3 TO 9.2	37786	7.3	5.4 TO 8.4		
PRODUCTION	12680	2.1	1.0 TO 3.2	12157	2.3	1.3 TO 3.3		
MARKETING	142316	24.0	21.7 TO 28.8	120248	23.2	19.9 TO 27.6		
FULFILLMENT	38845	6.5	5.9 TO 7.3	34336	6.6	5.3 TO 7.7		
GENERAL & ADMIN.	38019	6.4	5.6 TO 7.2	31592	6.1	5.5 TO 6.6		
UNSPECIFIED	0			0				
TOTAL PUBL. & OPERATING EXPENSE	279043	47.0	45.0 TO 51.2	236119	45.6	44.0 TO 48.8		
INCOME FROM OPERATIONS*	124398	21.0	15.1 TO 23.7	119863	23.2	17.7 TO 24.9		

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* Please see corresponding note on page F-11.

TABLE F8 - INVENTORY DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 14 PUBLISHERS
WITH TOTAL NET SALES OF $783,890,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30- $80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
BEGINNING INVENTORY	178600	22.8	21531	22.9	70390	25.4	86679	21.0		
PURCHASES	220487	28.1	28504	30.4	84750	30.6	107233	25.9		
COST OF FREE COPIES	44225	5.6	5446	5.8	14941	5.4	23838	5.8		
WRITE DOWNS	9169	1.2	634	0.7	2322	0.8	6212	1.5		
ENDING INVENTORY AFTER WRITE DOWNS	185839	23.7	27628	29.4	75706	27.4	82505	20.0		
PAPER, PRINTING, BINDING & DUPL. COST OF PRODUCTS SOLD, INCLUDING WRITEDOWNS	169024	21.6	16961	18.1	64493	23.3	87569	21.2		

Based on the data in **Table F8,** the inventory turnover of all reporting publishers is 0.9; that of publishers with net sales up to $30 million is 0.7; that of publishers with net sales $30 to $80 million is 0.9; and that of publishers with net sales above $80 million is 1.0.

TABLE F9 - CASH PLANT EXPENDITURES OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS
WITH TOTAL NET SALES OF $796,499,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30- $80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
CASH PLANT EXPENDITURES	115528	14.5	14904	14.0	52645	19.0	47979	11.6		

Table F9 details Cash Plant Expenditures. Since plant costs in **Table F7** are reported on an accrual basis and subject, therefore to varying treatment (amortization, write-off, inventory inclusion, etc.) depending on individual publisher's policies, valid comparison of a given publisher's experience with the composite figure becomes difficult. However, by reporting plant expenditures on a cash basis (i.e. actual monies spent during the year not related to books sold or to amortization of amounts previously expended) all reporting companies are, at least, placed on the same footing. By relating the expenditures to these publishers' net sales, a yardstick for comparison is established, even though no true (i.e. accrual) relationship exists between the cash amounts spent and the sales consummated during the year.

To provide an added perspective on the accrual figure reported in **Table F7**, publishers were asked to report their method of treating plant costs:

- Amortized - 13 publishers
  - Over 3 years - 4 publishers
  - Over 3-5 yrs - 2 publishers
  - Over 4 years - 1 publisher
  - Over 5 years - 4 publishers
  - Over 5-7 yrs - 1 publisher
  - Amortized separately, parallel to sales of first printing - 1 publisher

- Expensed as incurred - 3 publishers

(Text continued bottom of page F-16)

TABLE F10a - EDITORIAL EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS
WITH TOTAL NET SALES OF $796,499,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
EDITORIAL EXPENSE										
SALARIES	24218	3.3	3271	3.2	7050	3.3	13897	3.4		
BENEFITS	4595	0.6	743	0.7	858	0.4	2994	0.7		
OUTSIDE EDITORIAL EXP	17492	2.4	3617	3.5	548	0.3	13327	3.2		
TRAVEL & ENTERTAINMNT	1365	0.2	191	0.2	340	0.2	834	0.2		
OTHER	2612	0.4	713	0.7	592	0.3	1307	0.3		
TOTAL EDITORIAL EXPENSE	50281	6.9	8534	8.3	9388	4.3	32359	7.8		

TABLE F10b - PRODUCTION EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $780,229,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
PRODUCTION EXPENSE										
SALARIES	7894	1.0	1273	1.4	2836	1.0	3785	0.9		
BENEFITS	1938	0.2	245	0.3	453	0.2	1240	0.3		
OUTSIDE PRODUCTION EXPENSE	4926	0.6	97	0.1	1010	0.4	3819	0.9		
OTHER	3448	0.4	280	0.3	316	0.1	2852	0.7		
TOTAL PRODUCTION EXPENSE	18206	2.3	1894	2.1	4615	1.7	11697	2.8		

Text continued from page F-15

While the publishers reporting treatment policies are not wholly identical to those reporting accrued plant costs in **Table F7**, there is sufficient similarity to make the two groups comparable.

12 publishers with net sales of $729.7 million reported carrying $157.8 million in unamortized plant costs on their year-end balance sheets. $30.9 million involved unpublished, and $55.8 million involved published titles, while $71.1 million were reported without specification.

TABLE F11 - MARKETING EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $723,133,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $30 MILLION		4 PUBLISHERS NET SALES $30- $80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
SELLING EXPENSE										
SALESMEN'S SALARIES & COMMISSIONS	36061	5.0	7935	8.5	12290	5.7	15836	3.8		
SALESMEN'S BENEFITS	5358	0.7	1462	1.6	1006	0.5	2890	0.7		
SALESMEN'S TRAVEL & ENTERTAINMENT	15519	2.1	2955	3.1	4557	2.1	8006	1.9		
STAFF CONSULTANTS' SAL. & COMMISSIONS	5672	0.8	568	0.6	536	0.2	4568	1.1		
STAFF CONSULTANTS' BENEFITS	1055	0.1	126	0.1	0	0.0	929	0.2		
STAFF CONSULTANTS' TRAVEL & ENTERTMNT	2674	0.4	292	0.3	219	0.1	2163	0.5		
OUTSIDE CONSULTANTS' EXPENSE	1462	0.2	575	0.6	82	0.0	806	0.2		
DEPARTMENTAL MANAGERS SALARIES	9805	1.4	1372	1.5	1820	0.8	6612	1.6		
DEPARTMENTAL MANAGERS BENEFITS	1032	0.1	196	0.2	161	0.1	675	0.2		
DEPARTMENTAL CLERICAL SALARIES	3862	0.5	502	0.5	953	0.4	2407	0.6		
DEPARTMENTAL CLERICAL BENEFITS	897	0.1	81	0.1	123	0.1	692	0.2		
DEPARTMENTAL TRAVEL & ENTERTAINMENT	4195	0.6	715	0.8	1199	0.6	2281	0.6		
OTHER	10474	1.4	2950	3.1	2775	1.3	4750	1.1		
TOTAL SELLING EXPENSE	98066	13.6	19729	21.0	25722	11.9	52616	12.7		
PROMOTION EXPENSE										
DEPARTMENTAL SALARIES	7034	1.0	589	0.6	2640	1.2	3805	0.9		
DEPARTMENTAL BENEFITS	1620	0.2	122	0.1	341	0.2	1157	0.3		
SPACE ADVERTISING	2888	0.4	464	0.5	1318	0.6	1105	0.3		
CATALOGS, DIRECT MAIL & SELLING MATER'LS	11315	1.6	2615	2.8	3631	1.7	5069	1.2		
FREE COPIES (TOTAL)	47512	6.6	6528	7.0	13189	6.1	27795	6.7		
COST OF FREE COPIES	39023	5.6	4723	6.4	11020	5.1	23279	5.6		
POSTAGE	7073	1.0	388	0.5	2169	1.0	4516	1.1		
UNSPECIFIED	1416		1416		0		0			
EXHIBITS	3921	0.5	864	0.9	897	0.4	2160	0.5		
OTHER	8793	1.2	1633	1.7	3607	1.7	3552	0.9		
TOTAL PROMOTION EXPENSE	83084	11.5	12816	13.7	25624	11.9	44644	10.8		
TOTAL MARKETING EXPENSE	181150	25.1	32545	34.7	51346	23.8	97260	23.5		

TABLE F12 - FULFILLMENT EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

REPORTED BY 9 PUBLISHERS WITH TOTAL NET SALES OF $577,477,000 USING SPLIT FACILITIES	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $30 MILLION		2 PUBLISHERS NET SALES $30- $80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
INTERNAL FULFILLMENT EXPENSES										
ORDER PROCESSING AND CUSTOMER SERVICE										
SALARIES (TOTAL)	7112	1.2	880	1.5	1107	1.1	5125	1.2		
ACC'TS RECEIVABLE & CREDIT CONTRL	1745	0.3	169	0.3	240	0.2	1335	0.3		
ORDER PROC. & CUST SERV. SALARIES	4569	0.8	678	1.1	606	0.6	3285	0.8		
OTHER	798	0.1	32	0.1	261	0.2	505	0.1		
BENEFITS	2204	0.4	201	0.3	156	0.1	1847	0.4		
EDP/SYSTEMS EXPENSE	4312	0.7	339	0.6	1174	1.1	2798	0.7		
OTHER (INC. EQUIPMENT AND SUPPLIES)	1114	0.2	128	0.2	214	0.2	772	0.2		
TOTAL ORDER PROCESSING	14742	2.6	1548	2.6	2651	2.5	10543	2.6		
SHIPPING & WAREHOUSING										
SALARIES	8342	1.4	1146	1.9	1338	1.3	5858	1.4		
BENEFITS	1861	0.3	247	0.4	166	0.2	1448	0.4		
OCCUPANCY	4082	0.7	406	0.7	819	0.8	2857	0.7		
EQUIPMENT & SUPPLIES	2890	0.5	474	0.8	822	0.8	1594	0.4		
TRANSPORTATION CHRGES	2189	0.4	285	0.5	860	0.8	1043	0.3		
OTHER	-43	-0.0	64	0.1	-123	-0.1	17	0.0		
TOTAL SHIPPING AND WAREHOUSING	19321	3.3	2621	4.4	3882	3.7	12817	3.1		
TOTAL INTERNAL FULFILLMENT EXP.	34062	5.9	4168	7.1	6534	6.2	23360	5.7		
EXTERNAL FULFILLMENT EXPENSE										
ORDER PROCESSING	0	0.0	0	0.0	0	0.0	0	0.0		
SHIPPING & WAREHOUS'G	102	0.0	21	0.0	0	0.0	81	0.0		
DEPOSITORY EXPENSE	8328	1.4	803	1.4	2274	2.2	5250	1.3		
TOTAL EXTERNAL FULFILLMENT EXP.	8430	1.5	824	1.4	2274	2.2	5331	1.3		
TOTAL FULFILLMENT EXP. OF PUBLISHERS WITH SPLIT FACILITIES	42492	7.4	4993	8.5	8808	8.4	28691	6.9		

Data for publishers with Net Sales Between $30 and $80 Million have been suppressed to prevent disclosure.

TABLE F13 - GENERAL AND ADMINISTRATIVE EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 14 PUBLISHERS
WITH TOTAL NET SALES OF $783,890,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30- $80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
MANAGEMENT SALARIES	6840	0.9	2162	2.3	2741	1.0	1936	0.5		
MANAGEMENT BENEFITS	1216	0.2	522	0.6	320	0.1	374	0.1		
ACCOUNTING SALARIES	4072	0.5	962	1.0	1730	0.6	1379	0.3		
ACCOUNTING BENEFITS	856	0.1	228	0.2	227	0.1	404	0.1		
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	7413	0.9	1276	1.4	2839	1.0	3298	0.8		
GENERAL OFFICE BENEFITS	2885	0.4	374	0.4	1639	0.6	872	0.2		
GENERAL TRAVEL & ENT.	1431	0.2	413	0.4	368	0.1	650	0.2		
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	4689	0.6	615	0.7	1470	0.5	2604	0.6		
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	14392	1.8	1975	2.1	6204	2.2	6213	1.5		
TAXES (EXCEPT PAYROLL & INCOME TAXES)	2948	0.4	383	0.4	1323	0.5	1241	0.3		
PERSONAL PROPERTY TAX	2096	0.3	169	0.2	977	0.5	950	0.2		
ALL OTHER TAXES	521	0.1	214	0.2	15	0.0	292	0.1		
UNSPECIFIED	331		0		331		0			
OTHER	19118	2.4	2779	3.0	9285	3.4	7054	1.7		
TOTAL GENERAL AND ADMINISTRATIVE EXP.	65860	8.4	11689	12.5	28146	10.2	26025	6.3		

TABLE F14 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS
WITH TOTAL NET SALES OF $796,499,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30- $80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
PENSIONS	4318	0.5	748	0.7	415	0.1	3155	0.8		
DEFERRED PROFIT SHARING	3559	0.4	411	0.4	1147	0.4	2000	0.5		
HOSPITALIZATION AND GROUP INSURANCE	9199	1.2	2158	2.0	2829	1.0	4212	1.0		
PAYROLL TAXES	10842	1.4	1832	1.7	3844	1.4	5166	1.2		
OTHER	2284	0.3	147	0.1	1148	0.4	989	0.2		
TOTAL EMPLOYEE BENEFITS	30201	3.8	5296	5.0	9383	3.4	15522	3.8		

TABLE F15 - BILLINGS AND RECEIVABLES OF ELHI PUBLISHERS

	REPLIES	AMOUNT
NUMBER OF INVOICES ANNUALLY (000)	11	1353
AVERAGE INV. VALUE		469.15
NUMBER OF CREDIT MEMOS ANNUALLY (000)		136
ACCOUNTS RECEIVABLE (AT CAL. YR-END-$000)	16	232134
PERCENT OF NET SALES		23.8
ACCOUNTS RECE. - AGED TOTAL ($000)	12	191480
PCT. CURRENT		44.8
PCT. 1-60 DAYS		15.6
PCT. 61 DAYS OR MORE		39.6
BAD DEBT RESERVE ($000)	15	1813
PCT. OF NET SALES		0.2
PCT. OF RECEIVABLES		0.8
BAD DEBT LOSSES ($000)	12	463
PCT. OF NET SALES		0.1
PCT. OF RECEIVABLES		0.3
AVERAGE COLLECTION PERIOD (DAYS)	14	65
RANGE (DAYS)		49-98
AVG. ACCOUNTS RECEIVABLE (12 MONTHS) ($000)	14	184484
PCT. OF NET SALES		25.2

TABLE F16 - EMPLOYEE DATA OF ELHI PUBLISHERS

AS REPORTED BY 15 PUBLISHERS
EMPLOYING TOTAL STAFF OF 5,050
(NET SALES PER EMPLOYEE--$157,723)

	PERCENT OF TOTAL	
	AVERAGE	MID-RANGE
EDITORIAL	21.6	14.3 TO 27.2
PRODUCTION	6.2	2.4 TO 9.6
MARKETING (TOTAL)	38.2	33.0 TO 43.8
SALESMEN	17.7	15.4 TO 23.0
CONSULTANTS	3.2	2.4 TO 7.4
SALES MANAGEMENT	4.7	2.7 TO 9.1
SALES-CLERICAL	3.9	1.9 TO 6.3
PROMOTION	4.8	2.0 TO 6.0
UNSPECIFIED	4.0	
FULFILLMENT (TOTAL)	23.0	21.9 TO 30.4
ORDER PROCESSING	11.1	7.3 TO 15.6
SHIPPING & WAREHOUS'G	11.9	10.7 TO 18.2
ADMINISTRATIVE MANAGEMNT	2.5	1.7 TO 4.3
GENERAL OFFICE	5.5	4.9 TO 9.9
OTHER	2.9	2.2 TO 11.3
EMPLOYEES PER $100,000 SALES	0.6	0.5 TO 1.0

TABLE F17 - SELECTED BALANCE SHEET DATA OF ELHI PUBLISHERS

REPORTED BY 12 PUBLISHERS - WITH TOTAL NET SALES
OF $657,483,000

	PERCENT OF NET SALES	
	AVERAGE	MID-RANGE
NET ASSETS	57.5	41.0 TO 82.4
RECEIVABLES	16.8	14.7 TO 19.0
INVENTORIES	26.1	19.3 TO 30.3
PREPAID EXPENSES	1.2	0.5 TO 2.1
ROYALTY ADVANCES	0.9	0.1 TO 2.0
DEFERRED PLANT COSTS	12.5	0.9 TO 19.3
INCOME (LOSS) BEFORE TAXES	15.2	6.2 TO 21.6

SECTION G - COLLEGE PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM G (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

In **Table G2** twenty-four College textbook and materials publishers reported total 1986 net sales of $1123.1 million to this Survey. As the College publishing industry enjoys total estimated book sales of $1409.8 million, as reported in **Table S1,** and audiovisual and related materials sales of $13.5 million for a combined estimated sales total of $1423.3 million, the reporting group appears to represent some 78.9% of this industry segment. However, the reader is referred to the discussion following **Table G1,** and to the Higher Education Division footnote accompanying **Table S1.**

TABLE G1 - ESTIMATED INDUSTRY SALES OF COLLEGE TEXTBOOKS

The AAP Higher Education Division Statistics Committee has felt, for a number of years, that the estimates based on the U.S. Department of Commerce Census of Manufactures (**Table S1**) overstate the college textbook market, and they have annually conducted their own independent survey. This year the HED survey includes responses from 44 publishers which they feel represent the majority of college textbook publishers.

The results of this survey are shown in **Table G1,** and the list of participating publishers appears on page G-2.

NET SALES - MILLIONS OF DOLLARS

	1986	1985	PERCENT CHANGE
TABLE S-1 ESTIMATE	1409.8	1325.0	6.4
HED SURVEY (ACTUAL)	1155.7	1068.3	8.2
HED PERCENT OF S-1	82.0	80.6	

Continued on page G-2

TABLE G1 - ESTIMATED INDUSTRY SALES OF COLLEGE TEXTBOOKS

Continued from page G-1

Publishers participating in the special AAP Higher Education Statistics Committee Survey **(Table G1)**:

Addison-Wesley Publishing
Allyn & Bacon

Boyd & Fraser Publishing
William C. Brown Co., Publishers
Buregess International

Computer Science Press
Copley Publishing Group

Delmar Publishers
Dushkin Publishing Group

EMC Publishing

Gorsuch Scarisbrick Publ.

Hackett Publishing
Harcourt Brace Jovanovich
Harper & Row, Publishers
D.C. Heath & Co.
Heinle & Heinle
Holden-Day
Holt, Rinehart & Winston
Houghton Mifflin
Human Resource Development Press

Interstate Publishers
Richard D. Irwin

Jones & Bartlett

Karl-Lorimer Home Video
Linguistics International
Little, Brown & Co.

Macmillan
Mayfield Publishing
McGraw-Hill Book Co.
Merrill Publishing
C.V. Mosby

W.W. Norton

Oxford University Press

PRO-ED

Random House

St. Martin's Press
Science Research Associates
Simon & Schuster Higher Ed. Group
Scott, Foresman & Co.
South-Western Publishing

Wadsworth
Westview Press
John Wiley & Sons
Worth Publishers

TABLE G2 - SALES OF COLLEGE TEXTBOOKS AND MATERIALS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 24 PUBLISHERS

	GROSS SALES									
	1986		1985		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	1120830	65899	1050037	65693	6.7	0.3				
AV AND OTHER MEDIA	2224	144	1266	91	75.7	58.2				
TOTAL	1123054	66043	1051303	65784	6.8	0.4				

Continued on page G-3

TABLE G2 - SALES OF COLLEGE TEXTBOOKS AND MATERIALS

Continued from page G-2

	RETURNS									
	1986		1985		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	206003	12059	183059	11490	12.5	5.0				
AV AND OTHER MEDIA	271	19	148	11	83.1	72.7				
TOTAL	206274	12078	183207	11501	12.6	5.0				

	NET SALES									
	1986		1985		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	914827	53840	866978	54203	5.5	-0.7				
AV AND OTHER MEDIA	1953	125	1118	80	74.7	56.2				
TOTAL	916780	53965	868096	54283	5.6	-0.6				

	1986 PERCENT RETURNS TO GROSS							
	DOLLARS		UNITS		YOUR DATA			
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE				
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	18.4	16.4 TO 19.3	18.3	16.7 TO 20.6				
AV AND OTHER MEDIA	12.2	9.5 TO 17.3	13.2	11.1 TO 20.0				
TOTAL	18.4	16.4 TO 19.2	18.3	16.7 TO 20.5				

	1985 PERCENT RETURNS TO GROSS							
	DOLLARS		UNITS		YOUR DATA			
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE				
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	17.4	15.7 TO 20.0	17.5	15.6 TO 20.7				
AV AND OTHER MEDIA	11.7	8.2 TO 14.9	12.1	8.6 TO 20.0				
TOTAL	17.4	15.7 TO 20.0	17.5	15.6 TO 20.7				

TABLE G3 - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY PRODUCT CATEGORY

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 18 PUBLISHERS

	1986		1985		1984		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS	751376	45136	714257	45993	685415	48276				
AUDIOVISUAL & OTHER MEDIA	2221	191	1558	184	1726	146				
TOTAL BOOKS & MATERIALS	753597	45327	715815	46177	687141	48423				

	1983		PERCENT CHANGE 1985-1986		PERCENT CHANGE 1983-1986		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS	654265	49475	5.2	-1.9	14.8	-8.8				
AUDIOVISUAL & OTHER MEDIA	1296	83	42.6	3.8	71.4	130.1				
TOTAL BOOKS & MATERIALS	655561	49558	5.3	-1.8	15.0	-8.5				

	1986 DOLLARS PER UNIT		1985 DOLLARS PER UNIT	
	$-AVG.	AVG $ MID-RANGE	$-AVG.	AVG $ MID-RANGE
TEXTBOOKS	16.65	14.11 TO 19.63	15.53	12.97 TO 18.40
AUDIOVISUAL & OTHER MEDIA	11.63	11.43 TO 19.48	8.47	8.12 TO 17.11
TOTAL BOOKS & MATERIALS	16.63	14.11 TO 19.59	15.50	12.97 TO 18.40

	1984 DOLLARS PER UNIT		1983 DOLLARS PER UNIT	
	$-AVG.	AVG $ MID-RANGE	$-AVG.	AVG $ MID-RANGE
TEXTBOOKS	14.20	11.86 TO 17.33	13.22	12.17 TO 16.32
AUDIOVISUAL & OTHER MEDIA	11.82	11.52 TO 21.38	15.61	8.89 TO 92.25
TOTAL BOOKS & MATERIALS	14.19	11.86 TO 17.33	13.23	12.17 TO 16.33

Table G4 - Estimated Domestic Sales of Books and Materials in the College Market, has been discontinued.

TABLE G5 - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY MARKET CATEGORY

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS

	1985		1986			YOUR DATA		
	$	PCT OF TOTAL	$	PCT CHG FROM 85	PCT OF TOTAL			
DOMESTIC SALES								
BOOKSTORES (TOTAL)	446979	68.2	473939	6.0	70.6			
COLLEGE	407301	64.6	436661	7.2	67.4			
OTHER	23086	3.7	20747	-10.1	3.2			
UNSPECIFIED	16592		16531					
WHOLESALERS & JOBBERS	28461	4.3	19515	-31.4	2.9			
LIBRARIES AND INSTITUTIONS (TOTAL)	97401	14.9	102660	5.4	15.3			
COLLEGES & UNIV.	70294	11.0	74283	5.7	11.4			
SCHOOLS	23021	3.6	24280	5.5	3.7			
PUBLIC LIBRARIES	1643	0.3	1077	-34.4	0.2			
OTHER	202	0.0	209	3.5	0.0			
UNSPECIFIED	2240		2811					
GOVERNMENT	1911	0.3	1933	1.2	0.3			
INDUSTRY	7898	1.2	6826	-13.6	1.0			
DIRECT TO CONSUMER	11438	1.7	7974	-30.3	1.2			
OTHER	6980	1.1	7490	7.3	1.1			
TOTAL DOMESTIC SALES	601068	91.8	620336	3.2	92.4			
FOREIGN SALES	53850	8.2	50903	-5.5	7.6			
ALL SALES	654916	100.0	671240	2.5	100.0			

TABLE G6a - NET SALES OF NEW AND REVISED AND BACKLIST COLLEGE TEXTBOOKS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 12 PUBLISHERS

	1986		1985		PCT CHG 86/85		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS (TOTAL)	484906	27963	463529	28034	4.6	-0.3				
NEW & REVISED	164867	8950	157421	8797	4.7	1.7				
BACKLIST	320038	19013	306109	19237	4.6	-1.2				

	1984		1983		PCT CHG 86/83		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS (TOTAL)	441355	29835	410194	30902	18.2	-9.5				
NEW & REVISED	148573	9088	115608	8433	42.6	6.1				
BACKLIST	292782	20747	294585	22469	8.6	-15.4				

Please see **Table G6a** note on page G-6.

TABLE G6b - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS -BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 21 PUBLISHERS

	1986		1985		1984	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
ACCOUNTING	67340	8.3	65897	8.6	64587	8.8
ANTHROPOLOGY	2570	0.3	2199	0.3	2337	0.3
ART & ARCHITECTURE	12335	1.5	10425	1.4	6767	0.9
ASTRONOMY	743	0.1	897	0.1	715	0.1
BIOLOGY	26190	3.2	26617	3.5	26900	3.7
BUSINESS ADMINISTRATION	91153	11.2	92886	12.1	91209	12.4
MANAGEMENT	27401	3.6	29157	4.1	26481	3.9
MARKETING	15571	2.1	15642	2.2	14917	2.2
FINANCE	13654	1.8	11819	1.7	12633	1.8
OTHER	28361	3.7	29753	4.2	31028	4.5
UNSPECIFIED	6166		6515		6150	
BUSINESS EDUCATION	36864	4.5	37080	4.8	33019	4.5
CAREER EDUCATION & OCCUPATIONAL EDUC.	48077	5.9	43077	5.6	38458	5.2
CHEMISTRY (INCL. BIOCH.)	20620	2.5	21908	2.9	21415	2.9
COMPUTERS & COMPUTING	50497	6.2	54637	7.1	62988	8.6
ECONOMICS	28064	3.4	27548	3.6	24322	3.3
EDUCATION	27544	3.4	26479	3.4	23553	3.2
ENGINEERING	55145	6.8	50332	6.6	47801	6.5
ELECTRICAL	18150	2.6	14289	2.2	12949	2.1
CIVIL	4705	0.7	4346	0.7	4414	0.7
MECHANICAL	5797	0.8	5351	0.8	5423	0.9
OTHER	18871	2.7	18542	2.9	17978	2.9
UNSPECIFIED	7622		7804		7037	
ENGLISH LANGUAGE & LIT.	52348	6.4	49759	6.5	46033	6.3
ENGLISH-AS-A-SECOND LANGUAGE	2411	0.3	514	0.1	0	0.0
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	2039	0.3	2303	0.3	2606	0.4
FRENCH	5755	0.7	5559	0.7	4237	0.6
GEOLOGY & EARTH SCIENCE	5917	0.7	5991	0.8	5146	0.7
GEOGRAPHY	4373	0.5	3921	0.5	3930	0.5
GERMAN	3008	0.4	2840	0.4	2497	0.3
HEALTH EDUCATION & PHYSICAL EDUCATION	15171	1.9	12030	1.6	8093	1.1
HISTORY	25093	3.1	21788	2.8	20288	2.8
HOME ECONOMICS	2648	0.3	3580	0.5	3443	0.5

Continued on page G-7

In **Table G6a** limiting themselves to **textbooks only,** and **including** export sales, publishers were asked to report their new and revised title sales (i.e. of titles copyrighted in the reporting year), and backlist sales separately.

Domestic Net Sales by **Subject Categories** are analyzed in **Tables G6b and G6c. Table G6b** includes **dollar data only,** but it reports the sale of **all** books and materials. **Table G6c** includes dollar and **unit** data, but is confined to **textbooks only,** excluding workbooks, tests, reprints, pamphlets, manuals and non-print media.

TABLE G6b - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS -BY SUBJECT CATEGORIES

Continued from page G-6

	1986		1985		1984	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
MATHEMATICS	74653	9.2	60207	7.8	59685	8.1
MATHEMATICS	46007	7.9	39872	6.8	39050	7.1
STATISTICS	7103	1.2	6363	1.1	5965	1.1
OTHER	7	0.0	14	0.0	0	0.0
UNSPECIFIED	21536		13958		14670	
MUSIC	7368	0.9	7134	0.9	6700	0.9
NURSING & ALLIED HEALTH	7640	0.9	7008	0.9	6293	0.9
PHYSICS & PHYSICAL SCIENCE SURVEY	10353	1.3	9284	1.2	10088	1.4
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	18386	2.3	14167	1.8	12440	1.7
PSYCHOLOGY	41644	5.1	39565	5.2	34418	4.7
RELIGION & PHILOSOPHY	8244	1.0	9667	1.3	9173	1.3
SOCIOLOGY	16824	2.1	17179	2.2	14616	2.0
SPANISH	9310	1.1	8714	1.1	6810	0.9
SPEECH, DRAMA & MASS MEDIA	19173	2.4	16961	2.2	14730	2.0
MISCELLANEOUS	14714	1.8	9770	1.3	17466	2.4
TOTAL	814214	100.0	767923	100.0	732763	100.0

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY-SUBJECT CATEGORIES

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 15 PUBLISHERS

	1986					1985				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
ACCOUNTING	41400	6.1	2007	5.4	20.63	40425	6.3	2107	5.7	19.19
ANTHROPOLOGY	2245	0.3	130	0.3	17.27	1896	0.3	127	0.3	14.93
ART & ARCHITECTURE	8864	1.3	408	1.1	21.73	7831	1.2	405	1.1	19.34
ASTRONOMY	743	0.1	29	[illegible]	25.62	897	0.1	39	0.1	23.00
BIOLOGY	18103	2.7	824	[illegible]	21.97	19629	3.1	980	2.6	20.03
BUSINESS ADMINISTRATION	77617	11.5	[illegible]	[illegible]	22.18	76529	12.0	4067	10.9	18.82
MANAGEMENT	24286	3.6	[illegible]	3.0	21.80	25101	3.9	1295	3.6	19.38
MARKETING	14680	2.2	588	1.6	24.97	14460	2.3	663	1.8	21.81
FINANCE	11128	1.7	496	1.3	22.44	9714	1.5	500	1.4	19.43
OTHER	27045	4.0	1282	3.5	21.10	27004	4.2	1523	4.2	17.73
UNSPECIFIED	478		20			250		86		
BUSINESS EDUCATION	19409	2.9	1189	3.2	16.32	19584	3.1	1339	3.6	14.63
CAREER EDUCATION & OCCUPATIONAL EDUC.	47583	7.0	2306	6.2	20.63	43015	6.7	2289	6.1	18.79
CHEMISTRY (INCL. BIOCH.)	19683	2.9	916	2.5	21.49	21286	3.3	1149	3.1	18.53

Continued on page G-8

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-7

	1986					1985				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
COMPUTERS & COMPUTING	44581	6.6	2842	7.6	15.69	49242	7.7	2804	7.5	17.56
ECONOMICS	23037	3.4	1148	3.1	20.07	21943	3.4	1156	3.1	18.98
EDUCATION	24582	3.6	1319	3.5	18.64	23487	3.7	1227	3.3	19.14
ENGINEERING	54549	8.1	2301	6.2	23.71	49623	7.8	2365	6.4	20.98
ELECTRICAL	17626	3.1	685	2.4	25.73	13856	2.6	536	2.0	25.85
CIVIL	4705	0.8	157	0.5	29.97	4346	0.8	148	0.5	29.36
MECHANICAL	5797	1.0	182	0.6	31.85	5352	1.0	181	0.7	29.57
OTHER	18273	3.2	756	2.6	24.17	18065	3.4	859	3.2	21.03
UNSPECIFIED	8148		521			8004		641		
ENGLISH LANGUAGE & LIT.	41460	6.1	3362	9.0	12.33	39079	6.1	3658	9.8	10.68
ENGLISH-AS-A-SECOND LANGUAGE	2411	0.4	468	1.3	5.15	514	0.1	54	0.1	9.52
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	2398	0.4	135	0.4	17.76	2469	0.4	145	0.4	17.03
FRENCH	4780	0.7	330	0.9	14.48	4813	0.8	335	0.9	14.37
GEOLOGY & EARTH SCIENCE	4673	0.7	213	0.6	21.94	5076	0.8	235	0.6	21.60
GEOGRAPHY	4189	0.6	172	0.5	24.35	3763	0.6	165	0.4	22.81
GERMAN	2348	0.3	163	0.4	14.40	2323	0.4	170	0.5	13.66
HEALTH EDUCATION & PHYSICAL EDUCATION	11480	1.7	853	2.3	13.46	8690	1.4	643	1.7	13.51
HISTORY	21394	3.2	1403	3.8	15.25	17891	2.8	1256	3.4	14.24
HOME ECONOMICS	2429	0.4	107	0.3	22.70	3429	0.5	175	0.5	19.59
MATHEMATICS	71363	10.5	3199	8.6	22.31	56550	8.9	2910	7.8	19.43
MATHEMATICS	44098	9.1	2063	7.5	21.38	38648	7.6	1997	6.8	19.35
STATISTICS	6784	1.4	288	1.1	23.56	6134	1.2	299	1.0	20.52
OTHER	7	0.0	1	0.0	7.00	13	0.0	1	0.0	13.00
UNSPECIFIED	20474		847			11755		613		
MUSIC	4910	0.7	279	0.7	17.60	5089	0.8	310	0.8	16.42
NURSING & ALLIED HEALTH	7615	1.1	862	2.3	8.83	6976	1.1	459	1.2	15.20
PHYSICS & PHYSICAL SCIENCE SURVEY	9620	1.4	480	1.3	20.04	8787	1.4	433	1.2	20.29
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	17431	2.6	1162	3.1	15.00	12080	1.9	785	2.1	15.39
PSYCHOLOGY	35374	5.2	1823	4.9	19.40	34811	5.4	2026	5.4	17.18
RELIGION & PHILOSOPHY	7576	1.1	500	1.3	15.15	8989	1.4	574	1.5	15.66
SOCIOLOGY	14694	2.2	796	2.1	18.46	16227	2.5	938	2.5	17.30
SPANISH	7931	1.2	564	1.5	14.06	7972	1.2	570	1.5	13.99
SPEECH, DRAMA & MASS MEDIA	17179	2.5	1152	3.1	14.91	14718	2.3	1012	2.7	14.54
MISCELLANEOUS	3500	0.5	280	0.8	12.50	3168	0.5	330	0.9	9.60
TOTAL	677151	100.0	37222	100.0	18.19	638801	100.0	37237	100.0	17.16

Continued on page G-9

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-8

	1984					1983				
	DOLLARS		UNITS		AVERAGE DOLLARS PER UNIT	DOLLARS		UNITS		AVERAGE DOLLARS PER UNIT
	$	PCT OF TOTAL	NO.	PCT OF TOTAL		$	PCT OF TOTAL	NO.	PCT OF TOTAL	
ACCOUNTING	40554	6.6	2367	5.9	17.13	36528	6.3	2321	5.6	15.74
ANTHROPOLOGY	2019	0.3	159	0.4	12.70	1809	0.3	144	0.4	12.56
ART & ARCHITECTURE	4620	0.8	266	0.7	17.37	4150	0.7	267	0.6	15.54
ASTRONOMY	715	0.1	29	0.1	24.66	492	0.1	23	0.1	21.39
BIOLOGY	20644	3.4	1072	2.7	19.26	16604	2.9	947	2.3	17.53
BUSINESS ADMINISTRATION	75384	12.3	4494	11.2	16.77	68785	11.8	4242	10.3	16.22
MANAGEMENT	22889	3.7	1285	3.3	17.81	19914	3.4	1203	2.9	16.55
MARKETING	14018	2.3	708	1.8	19.80	14346	2.5	889	2.2	16.14
FINANCE	10387	1.7	581	1.5	17.88	8684	1.5	529	1.3	16.42
OTHER	28090	4.6	1920	4.7	14.63	25841	4.4	1621	3.9	15.94
BUSINESS EDUCATION	18493	3.0	1418	3.5	13.04	18373	3.2	1470	3.6	12.50
CAREER EDUCATION & OCCUPATIONAL EDUC.	38330	6.2	2410	6.0	15.90	34481	5.9	2176	5.3	15.85
CHEMISTRY (INCL. BIOCH.)	20402	3.3	1109	2.8	18.40	19654	3.4	1546	3.8	12.71
COMPUTERS & COMPUTING	55342	9.0	4070	10.2	13.60	63027	10.8	5111	12.4	12.33
ECONOMICS	20754	3.4	1282	3.2	16.19	16593	2.8	1134	2.8	14.63
EDUCATION	20907	3.4	1373	3.4	15.23	19723	3.4	1475	3.6	13.37
ENGINEERING	47190	7.7	2175	5.4	21.70	43941	7.5	2082	5.1	21.11
ELECTRICAL	12600	2.4	537	1.6	23.46	11907	2.4	480	1.4	24.81
CIVIL	4414	0.9	168	0.5	26.27	4102	0.8	161	0.5	25.48
MECHANICAL	5422	1.0	207	0.6	26.19	5788	1.2	253	0.7	22.88
OTHER	17398	3.4	902	2.7	19.29	15250	3.1	822	2.4	18.55
UNSPECIFIED	7356		362			6894		366		
ENGLISH LANGUAGE & LIT.	34792	5.7	3556	8.9	9.78	32328	5.6	3548	8.6	9.11
ENGLISH-AS-A-SECOND LANGUAGE	0	0.0	0	0.0	0.00	0	0.0	0	0.0	0.00
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	2776	0.5	219	0.5	12.68	2491	0.4	193	0.5	12.91
FRENCH	3531	0.6	289	0.7	12.22	3181	0.5	282	0.7	11.28
GEOLOGY & EARTH SCIENCE	4641	0.8	211	0.5	22.00	4802	0.8	226	0.5	21.25
GEOGRAPHY	3804	0.6	183	0.5	20.79	3116	0.5	159	0.4	19.60
GERMAN	1976	0.3	158	0.4	12.51	1519	0.3	142	0.3	10.70
HEALTH EDUCATION & PHYSICAL EDUCATION	5802	0.9	413	1.0	14.05	5819	1.0	443	1.1	13.14
HISTORY	16698	2.7	1240	3.1	13.47	18479	3.2	1434	3.5	12.89
HOME ECONOMICS	3304	0.5	177	0.4	18.67	3273	0.6	192	0.5	17.05
MATHEMATICS	56885	9.3	3072	7.7	18.52	52695	9.0	3067	7.5	17.18
MATHEMATICS	38580	8.1	2101	6.8	18.36	35852	7.8	2094	6.5	17.12
STATISTICS	5630	1.2	273	0.9	20.62	5793	1.3	318	1.0	18.22
OTHER	0	0.0	0	0.0	0.00	0	0.0	0	0.0	0.00
UNSPECIFIED	12675		698			11050		655		
MUSIC	4814	0.8	328	0.8	14.68	3915	0.7	293	0.7	13.36
NURSING & ALLIED HEALTH	6244	1.0	410	1.0	15.23	7293	1.3	519	1.3	14.05
PHYSICS & PHYSICAL SCIENCE SURVEY	8915	1.5	474	1.2	18.81	7623	1.3	450	1.1	16.94
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	11367	1.9	854	2.1	13.31	11354	1.9	849	2.1	13.37
PSYCHOLOGY	28570	4.7	1752	4.4	16.31	32393	5.6	2138	5.2	15.15

Continued on page G-10

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-9

	1984					1983				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
RELIGION & PHILOSOPHY	8638	1.4	596	1.5	14.49	7937	1.4	581	1.4	13.66
SOCIOLOGY	13144	2.1	854	2.1	15.39	12355	2.1	843	2.1	14.66
SPANISH	5808	0.9	495	1.2	11.73	4726	0.8	395	1.0	11.96
SPEECH, DRAMA & MASS MEDIA	12954	2.1	997	2.5	12.99	12823	2.2	1010	2.5	12.70
MISCELLANEOUS	13500	2.2	1478	3.7	9.13	10099	1.7	1411	3.4	7.16
TOTAL	613517	100.0	39980	100.0	15.35	582381	100.0	41113	100.0	14.17

TABLE G7a - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS - WITH ESTIMATES OF INDUSTRY TEXTBOOK SALES

	ACTUAL SALES REPORTED (TEXTBOOKS & MATERIALS)			ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY)					YOUR DATA	
	1986	1985	PERCENT CHANGE	1986		1985		1966-68 (1)		
				$	INDEX	$	INDEX			
DOMESTIC UNITED STATES										
ALABAMA	9412	9196	2.3	16918	634	16177	606	2668		
ALASKA	1843	2038	-9.6	2840	1141	3073	1234	249		
ARIZONA	11556	11843	-2.4	18741	828	18783	830	2263		
ARKANSAS	5172	4946	4.6	9763	548	9130	512	1783		
CALIFORNIA	93918	86155	9.0	153116	521	137407	467	29394		
COLORADO	12492	11260	10.9	22091	563	19485	496	3927		
CONNECTICUT	10672	11070	-3.6	19917	453	20210	460	4395		
DELAWARE	2839	2688	5.6	4591	722	4253	669	636		
DIST. OF COLUMBIA	5993	6326	-5.3	9861	356	10186	368	2771		
FLORIDA	26939	25912	4.0	46101	681	43361	641	6765		
GEORGIA	15461	14347	7.8	25410	605	23057	549	4199		
HAWAII	3120	3199	-2.5	5726	430	5745	432	1331		
IDAHO	1931	2167	-10.9	3220	271	3535	298	1187		
ILLINOIS	36213	34728	4.3	61130	424	57331	398	14405		
INDIANA	15941	15205	4.8	30505	488	28472	456	6249		
IOWA	8717	8771	-0.6	16355	430	16095	423	3804		
KANSAS	6535	6207	5.3	11207	398	10410	370	2816		
KENTUCKY	7176	7382	-2.8	12984	437	13067	440	2973		
LOUISIANA	11416	11183	2.1	19865	562	19031	538	3535		
MAINE	3267	3054	7.0	5804	398	5306	364	1458		
MARYLAND	15294	15047	1.6	26167	555	25193	534	4719		
MASSACHUSETTS	27743	27924	-0.6	48098	396	47332	390	12149		
MICHIGAN	28289	26412	7.1	49902	458	45577	419	10885		
MINNESOTA	13711	13215	3.8	23352	471	22006	444	4958		
MISSISSIPPI	4896	4999	-2.1	8650	437	8642	436	1980		
MISSOURI	15210	14003	8.6	28320	510	25508	460	5551		
MONTANA	2272	2134	6.5	3914	416	3595	382	941		
NEBRASKA	4277	4432	-3.5	7221	419	7319	425	1723		

Continued on page G-11

TABLE G7a - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

Continued from page G-10

	ACTUAL SALES REPORTED (TEXTBOOKS & MATERIALS)			ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY)					YOUR DATA	
	1986	1985	PERCENT CHANGE	1986		1985		1966-68 (1)		
				$	INDEX	$	INDEX			
NEVADA	2568	2054	25.0	6085	840	4793	662	724		
NEW HAMPSHIRE	3474	3906	-11.1	5503	423	6055	465	1302		
NEW JERSEY	23894	23487	1.7	42408	531	40789	511	7986		
NEW MEXICO	4224	4203	0.5	7253	524	7060	510	1383		
NEW YORK	66154	59739	10.7	120508	472	106483	417	25530		
NORTH CAROLINA	17776	16784	5.9	36001	660	33253	609	5457		
NORTH DAKOTA	2560	2564	-0.2	4282	486	4197	476	881		
OHIO	32021	31136	2.8	52474	430	49931	409	12205		
OKLAHOMA	9510	8446	12.6	16542	534	14370	464	3095		
OREGON	8825	8039	9.8	15344	409	13669	364	3754		
PENNSYLVANIA	39493	37455	5.4	69695	444	64681	412	15682		
RHODE ISLAND	3881	3853	0.7	5985	388	5813	377	1541		
SOUTH CAROLINA	8288	7982	3.8	13317	554	12550	522	2404		
SOUTH DAKOTA	2021	1980	2.1	3415	317	3271	303	1078		
TENNESSEE	11483	11159	2.9	20061	469	19070	446	4279		
TEXAS	46490	44837	3.7	74293	608	70078	574	12214		
UTAH	5686	5220	8.9	9608	433	8630	389	2220		
VERMONT	2193	2170	1.1	3800	441	3677	427	861		
VIRGINIA	20479	19088	7.3	33200	694	30266	632	4787		
WASHINGTON	13021	12782	1.9	25420	575	24401	552	4421		
WEST VIRGINIA	5199	4597	13.1	9605	441	8307	382	2176		
WISCONSIN	13434	14084	-4.6	21863	416	22417	427	5254		
WYOMING	1690	1582	6.8	2908	547	2664	501	532		
TOTAL DOMESTIC U.S.	746669	712990	4.7	1291340	498	1205711	465	259480		
P.R. & OTHER U.S. POSS.	3628	3452	5.1	9350	901	8702	838	1038		
FOREIGN										
CANADA	25986	25444	2.1	39378	345	37726	330	11423		
EUROPE	6330	6511	-2.8	26594	428	26762	431	6215		
ALL OTHER	27004	29519	-8.5	43099	417	46074	446	10327		
TOTAL FOREIGN	59320	61474	-3.5	109070	390	110562	395	27965		
ALL SALES	809617	777916	4.1	1409760	489	1324975	459	288383		

The first three columns in **Table G7a** show actual sales of reporting publishers by geographical location, and include **both textbooks and audiovisual and other materials.**

The remaining columns continue the historical series of estimated industry sales and, therefore, include **textbook sales only.**

The reader is cautioned that the actual change in sales for a given state may not reflect an actual sales increase (or decrease), but rather a shift in sales between reporting and non-reporting publishers.

Note: (1) Figures in the column so marked, provide the base (100%) for the index, and represent the average for the years 1966 through 1968.

TABLE G7b - GEOGRAPHICAL ANALYSIS OF ESTIMATED DOMESTIC INDUSTRY SALES OF COLLEGE TEXTBOOKS

THOUSANDS OF STUDENTS AND DOLLARS

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN SALES PER CAPITA	
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
ALABAMA	16918	16177	1.31	1.34						
ALASKA	2840	3073	.22	.25						
ARIZONA	18741	18783	1.45	1.56						
ARKANSAS	9763	9130	.76	.76						
CALIFORNIA	153116	137407	11.86	11.40						
COLORADO	22091	19485	1.71	1.62						
CONNECTICUT	19917	20210	1.54	1.68						
DELAWARE	4591	4253	.36	.35						
DISTRICT OF COLUMBIA	9861	10186	.76	.84						
FLORIDA	46101	43361	3.57	3.60						
GEORGIA	25410	23057	1.97	1.91						
HAWAII	5726	5745	.44	.48						
IDAHO	3220	3535	.25	.29						
ILLINOIS	61130	57331	4.73	4.75						
INDIANA	30505	28472	2.36	2.36						
IOWA	16355	16095	1.27	1.33						
KANSAS	11207	10410	.87	.86						
KENTUCKY	12984	13067	1.01	1.08						
LOUISIANA	19865	19031	1.54	1.58						
MAINE	5804	5306	.45	.44						
MARYLAND	26167	25193	2.03	2.09						
MASSACHUSETTS	48098	47332	3.72	3.93						
MICHIGAN	49902	45577	3.86	3.78						
MINNESOTA	23352	22006	1.81	1.83						
MISSISSIPPI	8650	8642	.67	.72						
MISSOURI	28320	25508	2.19	2.12						
MONTANA	3914	3595	.30	.30						
NEBRASKA	7221	7319	.56	.61						
NEVADA	6085	4793	.47	.40						
NEW HAMPSHIRE	5503	6055	.43	.50						
NEW JERSEY	42408	40789	3.28	3.38						
NEW MEXICO	7253	7060	.56	.59						
NEW YORK	120508	106483	9.33	8.83						
NORTH CAROLINA	36001	33253	2.79	2.76						
NORTH DAKOTA	4282	4197	.33	.35						
OHIO	52474	49931	4.06	4.14						
OKLAHOMA	16542	14370	1.28	1.19						
OREGON	15344	13669	1.19	1.13						
PENNSYLVANIA	69695	64681	5.40	5.36						
RHODE ISLAND	5985	5813	.46	.48						
SOUTH CAROLINA	13317	12550	1.03	1.04						
SOUTH DAKOTA	3415	3271	.26	.27						
TENNESSEE	20061	19070	1.55	1.58						
TEXAS	74293	70078	5.75	5.81						
UTAH	9608	8630	.74	.72						
VERMONT	3800	3677	.29	.30						
VIRGINIA	33200	30266	2.57	2.51						
WASHINGTON	25420	24401	1.97	2.02						
WEST VIRGINIA	9605	8307	.74	.69						
WISCONSIN	21863	22417	1.69	1.86						
WYOMING	2908	2664	.23	.22						
TOTAL	1291340	1205711	100.00	100.00						

Enrollment data for this table are furnished by the National Center for Education Statistics. As of this writing (late October 1987), the 1986 data are still not available. Should they be released in the not too distant future, we will revise this page accordingly. For earlier year data we refer the reader to the AAP 1985 Industry Statistics.

Footnotes for **Table G7b** appear on page G-27.

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS

	ALL PUBLISHERS							
	1986			1985			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	877573	122.7	119.5 TO 126.9	823553	119.7	116.5 TO 125.0		
RETURNS & ALLOWANCES	162214	22.7	19.5 TO 26.9	135349	19.7	16.5 TO 25.0		
NET SALES	715360	100.0	100.0 TO 100.0	688203	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	137242	19.3	16.3 TO 21.9	132195	19.4	16.4 TO 21.7		
ROYALTIES	101699	14.3	13.8 TO 15.3	99427	14.5	13.8 TO 15.5		
UNSPECIFIED	1527			1475				
TOTAL COST OF SALES	240468	33.6	30.2 TO 36.5	233097	33.9	30.6 TO 35.7		
GROSS MARGIN ON SALES	474892	66.4	63.5 TO 69.8	455106	66.1	64.3 TO 69.4		
OTHER INCOME	10299	1.4	0.2 TO 1.8	9796	1.4	0.2 TO 1.3		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	53514	7.5	5.4 TO 8.8	48059	7.0	5.5 TO 9.1		
EDITORIAL	47694	6.7	5.7 TO 8.4	45400	6.6	6.6 TO 8.8		
PRODUCTION	22900	3.2	1.6 TO 4.8	21532	3.1	1.4 TO 5.5		
MARKETING	118993	16.8	15.5 TO 20.3	111797	16.5	13.1 TO 19.6		
FULFILLMENT	41618	5.9	4.4 TO 7.2	41943	6.1	5.0 TO 7.4		
GENERAL & ADMIN.	87420	12.3	8.0 TO 17.0	74582	10.9	8.7 TO 14.3		
UNSPECIFIED	2552			2266				
TOTAL PUBL. & OPERATING EXPENSE	374691	52.4	47.0 TO 59.9	345579	50.2	45.0 TO 63.1		
INCOME FROM OPERATIONS*	110500	15.4	7.9 TO 19.4	119323	17.3	8.3 TO 20.3		

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page G-14

OPERATING DATA

Data are furnished by size of publisher (**Tables G8 through G17**). **Table G8** is a summary table, offering a composite income statement of the reporting publishers. The remaining tables detail specific expense areas including a time series covering detailed expense ratios of the past four years (**Tables G18 through G23**).

The series of **Tables G18 through G23** (pages G-23 through G-26) provide comparisons for four years, of expense ratios in operating areas. Note that the reported changes in the ratios from year to year are based on comparisons of **unrounded** figures, while the actual ratios reported in the tables have been rounded to one decimal point. As a result, changes in magnitude will be reported for figures which, because of the rounding, appear to be identical.

Text continued on page G-14

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-13

	3 PUBLISHERS WITH 1986 NET SALES UNDER $10 MILLION						YOUR DATA	
	1986			1985				
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	22574	123.0	109.2 TO 128.6	20170	123.9	110.2 TO 134.8		
RETURNS & ALLOWANCES	4221	23.0	9.2 TO 28.6	3884	23.9	10.2 TO 34.8		
NET SALES	18353	100.0	100.0 TO 100.0	16285	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	2446	18.3		2199	19.1			
ROYALTIES	1648	12.3		1391	12.1			
UNSPECIFIED	1527			1475				
TOTAL COST OF SALES	5621	30.6	27.1 TO 35.2	5065	31.1	25.3 TO 35.5		
GROSS MARGIN ON SALES	12732	69.4	64.8 TO 72.9	11220	68.9	64.5 TO 74.7		
OTHER INCOME	183	1.0	0.2 TO 3.1	165	1.0	0.3 TO 2.8		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	1182	8.2		995	7.9			
EDITORIAL	1229	8.6		1094	8.6			
PRODUCTION	465	3.2		383	3.0			
MARKETING	2596	18.1		2333	18.4			
FULFILLMENT	833	5.8		869	6.9			
GENERAL & ADMIN.	2780	19.4		2258	17.8			
UNSPECIFIED	2552			2266				
TOTAL PUBL. & OPERATING EXPENSE	11637	63.4	58.8 TO 68.5	10198	62.6	54.6 TO 68.6		
INCOME FROM OPERATIONS*	1278	7.0	6.7 TO 7.5	1187	7.3	4.8 TO 10.6		

* Please see corresponding note on page G-13.

Continued on page G-15

Text continued from page G-13

While encouraged to furnish sales data on a **calendar** year basis, publishers were given the option of supplying operating information on a **fiscal** year basis. 5 publishers exercised this option. For the fiscal year publishers, the month terminating their reporting year is listed below, together with the number of publishers for each such month:

March - 2
April - 1
June - 1
October - 1

14 publishers, with net sales of $581.8 million, supplemented their operating data by reporting Cash Plant Expenditures of $48.5 million (8.3% of net sales). Since plant costs in **Table G8** are reported on an accrual basis and subject, therefore, to varying treatment (amortization, write-off, inventory inclusion, etc.) depending on individual publishers' policies, valid comparison of a given publishers' experience with the composite figure becomes difficult. However, by reporting plant expenditures on a cash basis (i.e. actual monies spent during the year not related to books sold or to amortization of amounts previously expended), all reporting companies are, at least, placed on the same footing. By relating the expenditures to these publishers' net sales, a yardstick of comparison is established, even though no true (i.e. accrual) relationship exists between the cash amounts spent on the sales consummated during the year.

Text continued on page G-15

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-14

	4 PUBLISHERS WITH 1986 NET SALES $10 TO $25 MILLION							
	1986			1985			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	94156	122.7	114.5 TO 125.6	83051	123.2	114.5 TO 127.0		
RETURNS & ALLOWANCES	17429	22.7	14.5 TO 25.6	15657	23.2	14.5 TO 27.0		
NET SALES	76727	100.0	100.0 TO 100.0	67394	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	16323	21.3	18.4 TO 24.7	14703	21.8	19.6 TO 24.3		
ROYALTIES	10839	14.1	10.9 TO 15.1	9648	14.3	10.5 TO 15.2		
UNSPECIFIED	0			0				
TOTAL COST OF SALES	27162	35.4	29.6 TO 39.4	24351	36.1	30.4 TO 39.3		
GROSS MARGIN ON SALES	49565	64.6	60.6 TO 70.4	43043	63.9	60.7 TO 69.6		
OTHER INCOME	254	0.3	0.1 TO 1.0	397	0.6	0.1 TO 2.8		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	5788	7.5	4.5 TO 10.5	5217	7.7	4.3 TO 12.0		
EDITORIAL	5102	6.6	5.7 TO 8.4	4993	7.4	6.6 TO 9.4		
PRODUCTION	2721	3.5	1.5 TO 5.0	2690	4.0	1.8 TO 5.3		
MARKETING	14112	18.4	16.0 TO 20.8	11714	17.4	13.7 TO 21.7		
FULFILLMENT	5568	7.3	4.3 TO 9.8	5137	7.6	4.8 TO 10.1		
GENERAL & ADMIN.	8233	10.7	9.3 TO 12.0	8273	12.3	11.1 TO 13.6		
UNSPECIFIED	0			0				
TOTAL PUBL. & OPERATING EXPENSE	41524	54.1	49.0 TO 59.2	38024	56.4	50.2 TO 63.8		
INCOME FROM OPERATIONS*	8295	10.8	5.9 TO 18.8	5416	8.0	0.4 TO 17.5		

* Please see corresponding note on page G-13.

Continued on page G-16

Text continued from page G-14

To provide an added perspective on the accrual figure reported in **Table G8**, however, publishers were asked to report their methods of treating plant costs:

4 publishers reported using sum-of-the-years' digits systems (varying from 3 to 5 years); 4 publishers reported straight-line amortization of 3 to 5 years; 5 publishers added the cost to inventory and expensed it over periods of 1 to 4 years, and 5 publishers used other systems.

17 publishers, with total net sales of $606.2 million reported carrying unamortized plant costs totaling $77.9 million (12.8% of net sales) on their year-end balance sheets. $15.3 million of this amount involved unpublished titles; $37.1 million involved published titles; and $25.4 million were reported without specification.

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-15

	5 PUBLISHERS WITH 1986 NET SALES $25 TO $45 MILLION							
	1986			1985			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	205805	122.9	117.9 TO 128.7	185364	122.2	117.4 TO 125.3		
RETURNS & ALLOWANCES	38351	22.9	17.9 TO 28.7	33732	22.2	17.4 TO 25.3		
NET SALES	167455	100.0	100.0 TO 100.0	151632	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	30514	18.2	16.5 TO 20.3	27571	18.2	15.7 TO 20.7		
ROYALTIES	25183	15.0	13.8 TO 16.1	22886	15.1	14.1 TO 16.2		
UNSPECIFIED	0			0				
TOTAL COST OF SALES	55697	33.3	31.5 TO 35.4	50457	33.3	31.3 TO 34.9		
GROSS MARGIN ON SALES	111758	66.7	64.6 TO 68.5	101175	66.7	65.1 TO 68.7		
OTHER INCOME	-267	-0.2	-6.0 TO 6.7	-445	-0.3	-1.3 TO 0.6		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	15342	9.2	5.3 TO 12.9	13804	9.1	5.0 TO 12.5		
EDITORIAL	12309	7.4	6.0 TO 8.5	11094	7.3	5.8 TO 8.7		
PRODUCTION	7832	4.7	3.6 TO 5.9	6903	4.6	3.1 TO 6.3		
MARKETING	32956	19.7	17.9 TO 22.4	29061	19.2	17.2 TO 22.0		
FULFILLMENT	9665	5.8	4.7 TO 7.1	10072	6.6	5.6 TO 8.1		
GENERAL & ADMIN.	17795	10.6	6.8 TO 15.1	15523	10.2	7.4 TO 14.0		
UNSPECIFIED	0			0				
TOTAL PUBL. & OPERATING EXPENSE	95899	57.3	50.0 TO 65.9	86457	57.0	50.5 TO 64.4		
INCOME FROM OPERATIONS*	15547	9.3	-0.3 TO 19.5	14273	9.4	4.6 TO 14.3		

* Please see corresponding note on page G-13.

Continued on page G-17

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-16

	7 PUBLISHERS WITH 1986 NET SALES ABOVE $45 MILLION							
	1986			1985			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	555038	122.6	119.5 TO 125.4	534968	118.1	116.1 TO 120.6		
RETURNS & ALLOWANCES	102213	22.6	19.5 TO 25.4	82076	18.1	16.1 TO 20.6		
NET SALES	452825	100.0	100.0 TO 100.0	452892	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	87959	19.4	15.4 TO 23.6	87722	19.4	15.9 TO 22.0		
ROYALTIES	64029	14.1	13.7 TO 15.3	65502	14.5	13.7 TO 16.0		
UNSPECIFIED	0			0				
TOTAL COST OF SALES	151988	33.6	29.9 TO 37.5	153224	33.8	30.6 TO 35.7		
GROSS MARGIN ON SALES	300837	66.4	62.5 TO 70.1	299668	66.2	64.3 TO 69.4		
OTHER INCOME	10129	2.2	0.2 TO 3.4	9679	2.1	0.2 TO 3.1		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	31202	6.9	5.2 TO 8.8	28043	6.2	4.8 TO 6.9		
EDITORIAL	29054	6.4	5.3 TO 8.2	28219	6.2	6.2 TO 7.8		
PRODUCTION	11882	2.6	1.6 TO 3.3	11556	2.6	1.2 TO 2.9		
MARKETING	69329	15.3	11.0 TO 17.7	68689	15.2	12.1 TO 18.9		
FULFILLMENT	25552	5.6	4.4 TO 7.2	25865	5.7	4.1 TO 6.1		
GENERAL & ADMIN.	58612	12.9	7.5 TO 16.9	48528	10.7	8.1 TO 14.8		
UNSPECIFIED	0			0				
TOTAL PUBL. & OPERATING EXPENSE	225631	49.8	44.2 TO 52.8	210900	46.6	43.3 TO 48.1		
INCOME FROM OPERATIONS*	85335	18.8	15.6 TO 29.5	98447	21.7	14.8 TO 26.4		

* Please see corresponding note on page G-13.

TABLE G9 - INVENTORY DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS
WITH TOTAL NET SALES OF $671,420,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $10 MILLION		4 PUBLISHERS NET SALES $10 TO $25 MILLION		5 PUBLISHERS NET SALES $25 TO $45 MILLION		6 PUBLISHERS NET SALES ABOVE $45 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	111465	16.6	3771	15.6	11561	15.1	27810	16.6	68323	17.0
PURCHASES OF PAPER, PRINTING, BINDING & DUPLICATING	144187	21.5	5258	21.7	18409	24.0	34433	20.6	86087	21.4
COST OF FREE COPIES	15968	2.4	561	2.3	2195	2.9	4449	2.7	8763	2.2
WRITE DOWNS	10724	1.6	156	0.6	1604	2.1	3074	1.8	5890	1.5
ENDING INVENTORY AFTER WRITE DOWNS	108003	16.1	3950	16.3	11486	15.0	27370	16.3	65197	16.2
PAPER, PRINTING, BINDING & DUPL. COST OF PRODUCTS SOLD	131681	19.6	4519	18.7	16289	21.2	30424	18.2	80449	20.0

Based on data in **Table G9**, the inventory turnover of all reporting publishers is 1.2; that of publishers with net sales up to $10 million is 1.2; that of publishers with net sales $10 to $25 million is 1.4; that of publishers with net sales $25 to $25 million is 1.1; and that of publishers with net sales above $45 million is 1.2.

TABLE G10 - ROYALTY EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 18 PUBLISHERS
WITH TOTAL NET SALES OF $665,594,000

	ALL PUBLISHERS		3 PUBLISHERS NET SALES UP TO $10 MILLION		4 PUBLISHERS NET SALES $10 TO $25 MILLION		5 PUBLISHERS NET SALES $25 TO $45 MILLION		6 PUBLISHERS NET SALES ABOVE $45 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES AND FEES PAID	92880	14.0	2525	13.8	10651	13.9	24652	14.7	55053	13.7
ADVANCES WRITTEN OFF	2081	0.3	15	0.1	188	0.2	530	0.3	1347	0.3
TOTAL ROYALTY EXPENSE	94961	14.3	2540	13.8	10839	14.1	25182	15.0	56400	14.0

For **Table G10**, in addition to royalty operating data, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end.

For 1986, 17 publishers with net sales of $614.2 million reported royalty advances before write-off of $24.3 million (4.0% of net sales), and after write-off of $21.1 million (3.4% of net sales). The write-off therefore represented 0.5% of net sales and 13.2% of gross advances.

For 1985, 16 publishers reported royalty advances before write-off of $22.4 million (3.9% of the reported $574.2 million net sales), and after write-off the advances totaled $19.6 million (3.4% of net sales). The write-off therefore represented 0.5% of net sales and 12.5% of gross advances.

TABLE G11 - EDITORIAL EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 20 PUBLISHERS
WITH TOTAL NET SALES OF $682,142,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $10 MILLION		5 PUBLISHERS NET SALES $10 TO $25 MILLION		5 PUBLISHERS NET SALES $25 TO $45 MILLION		6 PUBLISHERS NET SALES ABOVE $45 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL COSTS										
DEPARTMENTAL (OTHER THAN COPY EDITING) SALARIES	26200	3.8	1393	5.8	3484	4.0	5596	3.3	15728	3.9
BENEFITS	4496	0.7	117	0.5	726	0.8	1204	0.7	2449	0.6
DEP'T'L TRAVEL & ENT.	3581	0.5	191	0.8	490	0.6	1125	0.7	1775	0.4
ADVISOR'S FEES	3836	0.6	104	0.4	504	0.6	1986	1.2	1242	0.3
OTHER EDITORIAL EXP.	6297	0.9	99	0.4	609	0.7	1824	1.1	3765	0.9
TOTAL EDITORIAL EXPENSE	44410	6.5	1903	7.9	5814	6.6	11735	7.0	24958	6.2

TABLE G12 - PRODUCTION EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 20 PUBLISHERS
WITH TOTAL NET SALES OF $682,142,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $10 MILLION		5 PUBLISHERS NET SALES $10 TO $25 MILLION		5 PUBLISHERS NET SALES $25 TO $45 MILLION		6 PUBLISHERS NET SALES ABOVE $45 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION COSTS										
PRODUCTION SALARIES	10921	1.6	324	1.3	1378	1.6	2887	1.7	6332	1.6
PRODUCTION BENEFITS	2356	0.3	52	0.2	334	0.4	674	0.4	1296	0.3
OUTSIDE PRODUCTION COSTS	2402	0.4	59	0.2	246	0.3	479	0.3	1618	0.4
COPY EDITING COSTS (INC. SALARIES)	4552	0.7	305	1.3	834	1.0	2171	1.3	1242	0.3
COPY EDITING STAFF BENEFITS	683	0.1	39	0.2	110	0.1	373	0.2	161	0.0
OTHER PRODUCTION EXP.	2061	0.3	33	0.1	222	0.3	973	0.6	833	0.2
TOTAL PRODUCTION EXPENSE	22976	3.4	812	3.4	3123	3.6	7558	4.5	11483	2.8

TABLE G13 - MARKETING EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS
WITH TOTAL NET SALES OF $621,266,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $10 MILLION		5 PUBLISHERS NET SALES $10 TO $25 MILLION		5 PUBLISHERS NET SALES $25 TO $45 MILLION		5 PUBLISHERS NET SALES ABOVE $45 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE										
SALARIES & BONUSES	31381	5.1	787	3.3	5064	5.8	10201	6.1	15329	4.5
BENEFITS	5902	1.0	51	0.2	980	1.1	2143	1.3	2728	0.8
DEPARTMENTAL TRAVEL & ENTERTAINMENT	11078	1.8	341	1.4	1794	2.1	3319	2.0	5623	1.6
OTHER SELLING EXPENSE	7114	1.1	310	1.3	2061	2.4	3332	2.0	1410	0.4
TOTAL SELLING EXPENSE	55474	8.9	1489	6.2	9900	11.3	18996	11.3	25090	7.3
PROMOTION EXPENSE										
DEPARTMENTAL SALARIES & BONUSES	5921	1.0	263	1.1	751	0.9	1617	1.0	3290	1.0
BENEFITS	1191	0.2	29	0.1	163	0.2	365	0.2	634	0.2
DEPARTMENTAL TRAVEL & ENTERTAINMENT	466	0.1	12	0.0	78	0.1	169	0.1	207	0.1
SPACE ADVERTISING	1501	0.2	133	0.5	210	0.2	520	0.3	638	0.2
CATALOGS, DIRECT MAIL & SELLING MAT'L	11217	1.8	619	2.6	2024	2.3	3788	2.3	4786	1.4
FREE COPIES (INCL. POSTAGE)	21073	3.4	873	3.6	3282	3.8	6150	3.7	10768	3.1
FREE ANCILLARY SOFT-WARE & FILMS	11	0.0	11	0.0	0	0.0	0	0.0	0	0.0
EXHIBITS	2012	0.3	103	0.4	207	0.2	475	0.3	1226	0.4
OTHER	8591	1.4	131	0.5	451	0.5	877	0.5	7132	2.1
TOTAL PROMOTION EXPENSE	51982	8.4	2174	9.0	7166	8.2	13961	8.3	28681	8.4
TOTAL MARKETING EXPENSE	107456	17.3	3663	15.1	17066	19.5	32957	19.7	53771	15.7

TABLE G14 - SALESMEN'S COMPENSATION AND EXPENSE OF COLLEGE PUBLISHERS

	1986	1985	1984	1983
NUMBER OF COMPANIES REPORTING	15	14	14	14
NUMBER OF SALESMEN	737	710	644	649
SALESMAN TURNOVER (%)	17.9	22.4	22.5	25.8
AVERAGE SALARY ($)	25810	24348	21940	21937
AVERAGE SALARY AND COMMISSION ($)	30310	28836	26200	25762
AVERAGE TRAVEL EXP. ($)	12511	13751	12376	12221
AVERAGE CONFERENCE EXPENSE ($)	2539	2259	2303	1983

Continued on page G-21

TABLE G14 - SALESMEN'S COMPENSATION AND EXPENSE OF COLLEGE PUBLISHERS

Continued from page G-20

	1986	1985	1984	1983
AVERAGE FREE COPY EXPENSE ($)	20686	21095	18745	16364
TOTAL COMPENSATION, TRAVEL, CONFERENCE & FREE COPIES AS A PERCENT OF NET SALES	10.2	10.5	10.4	10.2
AVERAGE TERRITORY SIZE ($000)	580	582	573	538

TABLE G15 - FULFILLMENT EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

AS REPORTED BY 11 PUBLISHERS WITH NET SALES OF $501,735,000 USING INTERNAL FACILITIES	ALL PUBLISHERS		1 PUBLISHER NET SALES UP TO $10 MILLION		2 PUBLISHERS NET SALES $10 TO $25 MILLION		3 PUBLISHERS NET SALES $25 TO $45 MILLION		5 PUBLISHERS NET SALES ABOVE $45 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING AND CUSTOMER SERVICE										
SALARIES (TOTAL)	5933	1.2					1134	1.0	4292	1.3
ACC'TS RECEIVABLE & CREDIT CONTRL	1719	0.3					149	0.2	1496	0.4
ORDER PROCESSING & CUSTOMER SERV.	3447	0.8					673	0.8	2629	0.8
OTHER	290	0.1					30	0.0	167	0.0
UNSPECIFIED	477						282		0	
BENEFITS	1202	0.2					354	0.3	714	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3868	0.8					488	0.4	2907	0.8
OTHER (INC. EQUIPMENT ,AND SUPPLIES)	3522	0.7					248	0.2	3210	0.9
TOTAL ORDER PROCESSING AND CUSTOMER SERVICE	14525	2.9					2225	2.0	11123	3.3
SHIPPING & WAREHOUSING										
SALARIES	8203	1.6					1788	1.6	5538	1.6
BENEFITS	1619	0.3					414	0.4	1008	0.3
OCCUPANCY	4308	0.9					724	0.7	3012	0.9
EQUIPMENT & SUPPLIES	1833	0.4					402	0.4	1145	0.3
TRANSPORTATION CHRGES	822	0.2					150	0.1	538	0.2
OTHER	-150	-0.0					60	0.1	-174	-0.1
TOTAL SHIPPING AND WAREHOUSING	16635	3.3					3540	3.2	11067	3.2
TOTAL FULFILLMENT EXP. OF PUBLISHERS USING INTERNAL FACILITIES	31161	6.2					5765	5.2	22190	6.5

Data for publishers with net sales "Up To $10 Million" and "$10 to $25 Million" have been suppressed to prevent disclosure.

TABLE G16 - GENERAL AND ADMINISTRATIVE EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 20 PUBLISHERS
WITH TOTAL NET SALES OF $682,142,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $10 MILLION		5 PUBLISHERS NET SALES $10 TO $25 MILLION		5 PUBLISHERS NET SALES $25 TO $45 MILLION		6 PUBLISHERS NET SALES ABOVE $45 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	10121	1.5	577	2.4	1110	1.3	2164	1.3	6270	1.6
MANAGEMENT BENEFITS	1944	0.3	46	0.2	191	0.2	419	0.3	1289	0.3
ACCOUNTING SALARIES	5106	0.7	313	1.3	1033	1.2	1096	0.7	2664	0.7
ACCOUNTING BENEFITS	1062	0.2	24	0.1	209	0.2	330	0.2	498	0.1
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	8273	1.2	163	0.7	836	1.0	1644	1.0	5631	1.4
GENERAL OFFICE BENEFITS	2120	0.3	262	1.1	157	0.2	513	0.3	1188	0.3
GENERAL TRAVEL & ENT.	1449	0.2	68	0.3	177	0.2	363	0.2	841	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOCATED)	7878	1.2	128	0.5	1375	1.6	1888	1.1	4486	1.1
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	15120	2.2	596	2.5	1130	1.3	3630	2.2	9763	2.4
TAXES (EXCEPT INCOME & PAYROLL TAXES)	2189	0.3	38	0.2	225	0.3	459	0.3	1467	0.4
PERSONAL PROPERTY TAX	1321	0.2	16	0.1	151	0.2	268	0.2	887	0.3
ALL OTHER TAXES	581	0.1	22	0.1	74	0.1	191	0.1	294	0.1
UNSPECIFIED	287		0		0		0		287	
INTEREST EXPENSE	2099	0.3	201	0.8	60	0.1	756	0.5	1082	0.3
OTHER	22797	3.3	1408	5.8	3378	3.9	3880	2.3	14131	3.5
TOTAL GENERAL AND ADMINISTRATIVE EXP.	80158	11.8	3824	15.8	9881	11.3	17142	10.2	49311	12.2

TABLE G17 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 18 PUBLISHERS
WITH TOTAL NET SALES OF $671,975,000

	ALL PUBLISHERS		2 PUBLISHERS NET SALES UP TO $10 MILLION		5 PUBLISHERS NET SALES $10 TO $25 MILLION		5 PUBLISHERS NET SALES $25 TO $45 MILLION		6 PUBLISHERS NET SALES ABOVE $45 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	3249	0.5			104	0.1	1033	0.6	2081	0.5
DEFERRED PROFIT SHARING	3367	0.5			504	0.7	832	0.5	2031	0.5
HOSPITALIZATION & GROUP INSURANCE	8483	1.3			1325	1.7	2326	1.4	4687	1.2
PAYROLL TAXES	9784	1.5			1351	1.8	2445	1.5	5769	1.4
OTHER	2356	0.4			418	0.5	483	0.3	1455	0.4
TOTAL EMPLOYEE BENEFITS	27238	4.1			3702	4.8	7119	4.3	16023	4.0

Data for publishers with net sales "Up To $10 Million" have been suppressed to prevent disclosure.

TABLE G18 - EDITORIAL EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS
WITH 1986 NET SALES OF $639,402,000

	1986			1985		1984		1983
	PCT NET SALES	PCT CHG FROM 85	PCT CHG FROM 83	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 83	PCT NET SALES
EDITORIAL COSTS								
DEPARTMENTAL (OTHER THAN COPY EDITING) SALARIES	3.8	-2.4	15.5	3.9	1.0	3.8	17.2	3.3
BENEFITS*	0.6	-2.9	25.0	0.7	0.5	0.7	28.1	0.5
DEP'T'L TRAVEL & ENT.	0.5	0.9	-10.6	0.5	-14.5	0.6	3.7	0.6
ADVISOR'S FEES	0.6	12.7	0.6	0.5	-16.7	0.6	7.2	0.6
OTHER EDITORIAL EXP.	0.9	-1.1	3.7	1.0	-12.4	1.1	19.6	0.9
TOTAL EDITORIAL EXPENSE	6.5	-0.8	10.4	6.5	-4.2	6.8	16.2	5.8

* In AAP Industry Statistics Reports prior to the 1984 edition, **Employee Benefits** were shown as a series of line items on the General and Administrative Table. This is the third year that **benefits** have been allocated in each expense area (Editorial, Production, Marketing, etc). They are also shown in summary in **Table G23.** While the restatement seems proper for 1984 and later data, some publishers had difficulty with the historical (1983) data and the reader is cautioned that the **benefits** items for 1983 may be **understated**, and that the percentage changes from year-to-year for **benefits** may well be **overstated** in **Tables G18 through G22.**

TABLE G19 - PRODUCTION EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS
WITH 1986 NET SALES OF $639,402,000

	1986			1985		1984		1983
	PCT NET SALES	PCT CHG FROM 85	PCT CHG FROM 83	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 83	PCT NET SALES
PRODUCTION COSTS								
PRODUCTION SALARIES	1.6	5.0	27.1	1.5	24.6	1.2	-2.8	1.3
PRODUCTION BENEFITS*	0.4	16.1	42.0	0.3	25.4	0.2	-2.5	0.2
OUTSIDE PRODUCTION COSTS	0.4	11.2	30.0	0.3	27.3	0.3	-8.2	0.3
COPY EDITING COSTS (INCL. SALARIES)	0.6	6.8	31.6	0.6	-23.1	0.8	60.3	0.5
COPY EDITING STAFF BENEFITS*	0.1	45.4	36.6	0.1	-41.9	0.1	61.7	0.1
OTHER PRODUCTION EXP.	0.3	-29.4	-25.3	0.4	-10.2	0.5	17.9	0.4
TOTAL PRODUCTION EXPENSE	3.4	3.1	21.9	3.3	5.3	3.1	12.2	2.8

* Please see coreesponding note on **Table G-18.**

TABLE G20 - MARKETING EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS
WITH 1986 NET SALES OF $578,526,000

	1986			1985		1984		1983
	PCT NET SALES	PCT CHG FROM 85	PCT CHG FROM 83	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 83	PCT NET SALES
SELLING EXPENSE								
SALARIES & BONUSES	5.1	3.9	5.4	4.9	-9.2	5.4	11.7	4.8
BENEFITS*	1.0	5.4	58.8	0.9	2.3	0.9	47.3	0.6
DEPARTMENTAL TRAVEL & ENTERTAINMENT	1.8	-6.4	-2.5	1.9	-3.7	2.0	8.3	1.8
OTHER SELLING EXPENSE	1.1	-44.6	-18.6	2.0	51.8	1.3	-3.3	1.4
TOTAL SELLING EXPENSE	9.0	-8.0	3.7	9.7	1.5	9.6	11.0	8.6
PROMOTION EXPENSE								
DEPARTMENTAL SALARIES & BONUSES	1.0	1.4	29.6	0.9	7.1	0.9	19.3	0.7
BENEFITS*	0.2	-2.2	125.8	0.2	11.6	0.2	106.8	0.1
DEPARTMENTAL TRAVEL & ENTERTAINMENT	0.1	19.9	12.9	0.1	-22.9	0.1	22.1	0.1
SPACE ADVERTISING	0.2	-14.1	-2.5	0.3	-9.8	0.3	25.9	0.2
CATALOGS, DIRECT MAIL & SELLING MAT'L	1.7	10.6	11.2	1.5	-3.5	1.6	4.2	1.5
FREE COPIES (INCL. POSTAGE)	3.4	4.3	26.4	3.3	5.6	3.1	14.8	2.7
FREE ANCILLARY SOFTWARE & FILMS	0.0	-3.2	-47.2	0.0	-2.2	0.0	-44.3	0.0
EXHIBITS	0.3	27.4	49.3	0.3	-6.4	0.3	25.2	0.2
OTHER	1.4	113.9	196.3	0.7	54.6	0.4	-10.4	0.5
TOTAL PROMOTION EXPENSE	8.4	15.6	37.5	7.2	5.4	6.9	12.8	6.1
TOTAL MARKETING EXPENSE	17.3	2.0	17.6	17.0	3.1	16.4	11.8	14.7

* Please see corresponding note on page G-23.

TABLE G21 - FULFILLMENT EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 11 PUBLISHERS
WITH 1986 NET SALES OF $501,735,000

	1986			1985		1984		1983
	PCT NET SALES	PCT CHG FROM 85	PCT CHG FROM 83	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 83	PCT NET SALES
ORDER PROCESSING AND CUSTOMER SERVICE								
SALARIES (TOTAL)	1.2	-20.3	-13.3	1.5	-5.4	1.6	14.9	1.4
ACC'TS RECEIVABLE & CREDIT CONTRL	0.3	-51.7	39.7	0.7	167.9	0.3	7.9	0.2
ORDER PROCESSING & CUSTOMER SERV.	0.7	17.5	-27.3	0.6	-47.1	1.1	16.9	0.9
OTHER	0.1	-30.4	-27.4	0.1	-12.0	0.1	18.5	0.1
UNSPECIFIED	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BENEFITS*	0.2	-20.5	83.1	0.3	-6.3	0.3	145.8	0.1
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	0.8	2.6	-0.8	0.8	-14.9	0.9	13.6	0.8
OTHER (INC. EQUIPMENT AND SUPPLIES)	0.7	88.2	284.3	0.4	105.7	0.2	-0.7	0.2
TOTAL ORDER PROCESSING AND CUSTOMER SERVICE	2.9	-0.5	17.9	2.9	-1.5	3.0	20.3	2.5
SHIPPING & WAREHOUSING								
SALARIES	1.6	1.7	2.6	1.6	-2.3	1.6	3.2	1.6
BENEFITS*	0.3	4.9	62.9	0.3	-8.2	0.3	69.2	0.2
OCCUPANCY	0.9	17.7	23.0	0.7	-13.1	0.8	20.3	0.7
EQUIPMENT & SUPPLIES	0.4	16.5	-0.9	0.3	-23.5	0.4	11.2	0.4
TRANSPORTATION CHRGES	0.2	-25.0	-45.6	0.2	-29.4	0.3	2.7	0.3
OTHER	-0.0	-141.7	-165.8	0.1	10.6	0.1	42.6	0.0
TOTAL SHIPPING AND WAREHOUSING	3.3	2.1	3.4	3.2	-9.3	3.6	11.8	3.2
TOTAL FULFILLMENT EXP. OF PUBLISHERS USING INTERNAL FACILITIES	6.2	0.9	9.7	6.2	-5.8	6.5	15.5	5.7

* Please see corresponding note on page G-23.

TABLE G22 - GENERAL AND ADMINISTRATIVE EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS
WITH 1986 NET SALES OF $587,963,000

	1986			1985		1984		1983
	PCT NET SALES	PCT CHG FROM 85	PCT CHG FROM 83	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 83	PCT NET SALES
MANAGEMENT SALARIES	1.5	-9.3	16.6	1.7	11.3	1.5	15.4	1.3
MANAGEMENT BENEFITS*	0.3	-9.7	67.3	0.3	-7.8	0.4	100.8	0.2
ACCOUNTING SALARIES	0.7	-15.1	-0.4	0.9	13.0	0.8	3.9	0.7
ACCOUNTING BENEFITS*	0.2	-15.4	57.0	0.2	-11.0	0.2	108.5	0.1
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	1.3	95.5	25.4	0.6	-18.0	0.8	-21.8	1.0
GENERAL OFFICE BENEFITS*	0.3	111.9	-26.7	0.2	-34.0	0.2	-47.6	0.5
GENERAL TRAVEL & ENT.	0.2	6.2	7.5	0.2	-24.7	0.3	34.5	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOCATED)	1.2	20.8	38.5	1.0	6.7	0.9	7.4	0.9
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	2.2	17.1	32.5	1.9	-3.2	2.0	16.9	1.7
TAXES (EXCEPT INCOME & PAYROLL TAXES)	0.2	13.1	56.1	0.2	1.9	0.2	35.5	0.1
PERSONAL PROPERTY TAX	0.1	4.7	7.4	0.1	1.3	0.1	1.2	0.1
ALL OTHER TAXES	0.1	61.1	810.0	0.1	-4.1	0.1	488.6	0.0
UNSPECIFIED	0.0	-16.9	1.6	0.1	8.9	0.1	12.3	0.0
INTEREST EXPENSE	0.3	2.6	85.2	0.3	42.7	0.2	26.4	0.2
OTHER	3.6	20.4	10.9	3.0	-13.2	3.5	6.1	3.3
TOTAL GENERAL AND ADMINISTRATIVE EXP.	12.2	15.6	19.8	10.5	-4.0	11.0	8.0	10.2

* Please see corresponding note on page G-23.

TABLE G23 - EMPLOYEE BENEFITS EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 14 PUBLISHERS
WITH 1986 NET SALES OF $593,370,000

	1986			1985		1984		1983
	PCT NET SALES	PCT CHG FROM 85	PCT CHG FROM 83	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 83	PCT NET SALES
PENSIONS	0.5	-15.0	-41.9	0.6	-3.2	0.6	-29.5	0.9
DEFERRED PROFIT SHARING	0.5	18.0	9.9	0.4	-24.4	0.5	23.2	0.4
HOSPITALIZATION & GROUP INSURANCE	1.2	11.7	13.8	1.1	-16.0	1.3	21.2	1.1
PAYROLL TAXES	1.5	-2.1	14.8	1.5	-0.2	1.5	17.5	1.3
OTHER	0.3	-7.9	439.2	0.4	226.0	0.1	79.6	0.1
TOTAL EMPLOYEE BENEFITS	4.0	1.3	7.2	4.0	-3.0	4.1	9.0	3.8

TABLE G24 - EMPLOYEE DATA OF COLLEGE PUBLISHERS

AS REPORTED BY 15 PUBLISHERS - EMPLOYING 3,284 TOTAL STAFF (1986)
(1986 NET SALES PER EMPLOYEE - $179,039)

	AVERAGE NUMBER OF EMPLOYEES PER $1,000,000 OF NET SALES				YOUR DATA			
	1986	1985	1984	1983				
ACQUISITION & DEVELOPMENT	1.1	1.1	1.2	1.2				
PRODUCTION, EDITORIAL & MANUFACTURING	0.8	0.9	1.0	1.0				
MARKETING (TOTAL)	2.3	2.4	2.4	2.3				
SALES	1.9	1.9	2.0	1.9				
PROMOTION	0.4	0.4	0.4	0.4				
ADMINISTRATIVE MANAGEMNT	0.4	0.4	0.5	0.4				
OTHER	0.8	0.8	1.0	0.9				
ALL EMPLOYEES	5.6	5.7	6.2	5.9				

TABLE G25 - SELECTED BALANCE SHEET DATA

AS REPORTED BY 13 PUBLISHERS
WITH 1986 NET SALES OF $432,808,000

	PCT-NET SALES	
	GROSS	NET OF RESERVE
INVENTORIES	17.9	15.5
ROYALTY ADVANCES	5.3	4.8
PLANT COST CAPITALIZED	33.2	15.6
ACCOUNTS RECEIVABLE	28.2	22.1

(The following is text material for **Table G7b** which appears on page G-12)

In **Table G7b,** estimated sales are related to enrollment data on a state-by-state basis. 1985 and 1986 again utilize estimated **full-time equivalent** fall enrollment data. The estimates are based on data released by the National Center for Education Statistics. Since both sales and enrollments are estimated and no adjustments are made for the sales of college textbooks to markets other than formal higher education, the resulting per capita figures **should not be taken literally** but should be regarded as trend indicators only.

ABSTRACTED DEFINITIONS

Definitions for most line items, and instructions for furnishing data to the AAP Industry Statistics are included in the survey questionnaires. Overall methodology, and definitions of the publishing divisions themselves are presented in this volume beginning on page xiii.

The Higher Education Statistics Committee is supplementing this material with the following brief definitions of the major (i.e. Table G8) line items:

Gross Sales: Total domestic and foreign sales of books, tests, reprints, pamphlets, audio-visual aids and other media materials developed by the College division. Each publisher reports sales on a calendar (preferred) or fiscal year basis.

Returns: Credits against gross sales for merchandise returned or adjustments made. Includes only actual returns, not reserves; excudes transportation.

Net Sales: Gross Sales less Returns. Excludes subsidiary rights, permissions and distribution income.

Cost of Sales: Manufacturing costs and royalties applicable to goods sold. Excludes plate and development costs. Includes landed costs of imports and acquisition cost of distributed editions.

Paper, Printing, Binding & Dupl. Costs (PPB): Calculated based on beginning inventory plus purchases, less ending inventory and free copies. Inventory includes bound stock, including books on consignment, as well as raw materials. Any editorial plant costs are estimated and removed from inventory. Purchases include transportation costs up to the first point of shipment; costs of containers supplied by the manufacturer, and duplicating costs for AV, software, and other non-print products. Free copies are deducted from inventory and include only books given away for promotional purposes, but not teaching aids, which are considered a cost of sale of the book they accompany. Inventory write-offs are deducted from ending inventory, so the cost of revaluations appears as PPB.

Royalty Expense: Payments of royalties resulting from sales during the reporting year; includes grants, advances written-off and override royalties paid to consulting editors but not to staff editors (The latter are reported as salary).

Other Income: Subsidiary rights, permissions and distribution income.

Gross Margin: Net Sales less PPB and Royalties. Does not include plate or development costs.

Publishing and Operating Expenses:

Plant Costs: Non-recurring manufacturing costs, plus outside artwork. Includes typesetting, negatives and plates (provided the plates can be used for reprints; otherwise reported as PPB). The cost of master films and recordings for AV and one-time processing costs for software are reported here. Also includes permissions, retyping costs (if paid by the publisher), and preparation of camera-ready copy.

Editorial: Acquisition and development costs only, including salaries, benefits, T & E, reference and research materials, stationery, supplies and reviews.

Production: Salary and benefit costs of copy editorial, design, and production staffs, as well as freelance costs, outside production services, reference materials, art supplies, stationery and T & E.

Marketing: Selling and promotion expenses. Includes advertising, catalogs, free copies and postage, exhibits, free software, salaries, bonuses, T & E, and automobiles.

Fulfillment: Order and return processing, customer service, shipping and storage, accounts receivable, systems expense (for order processing only), equipment rental, transportation not paid by customer or included in PPB, warehouse rent or depreciation and operating expenses, supplies and salaries. Multi-divisional houses allocate fulfillment expenses based on the number of orders processed.

General & Administrative: Management, accounting, general office, tax, insurance, legal, and systems expense. Also includes all occupancy, telephone, overhead, utility and collection costs. Corporate assessments (fees charged by parent companies) are not included unless they represent payments for services actually received which the publisher would otherwise have to furnish or purchase elsewhere. G & A is allocated on a percentage of sales basis (except for occupancy costs which are based on space used).